

who, having quit or lost their jobs, will be tempted to take more time in settling on new ones. In other words, unless great care and caution are exercised in implementing the committee's recommendations, the end result may well be the social misfortune of permanently higher unemployment.

5. In large part, the shortcomings of the report are traceable to the pessimistic assumption on which it seems to proceed—namely, that there is a serious possibility that our Nation's economic progress will prove insufficient to provide jobs for all those who are able and eager to work. I have greater faith in our Nation's future. A tremendous expansion of prosperity lies within our power. The degree to which we attain it will mainly depend, first, on how much work people care to do, second, on how productive they wish to be, third, on how earnestly we pursue public policies to stimulate new, creative, and more efficient economic activities by business enterprises. If the report had started from this broad but fundamental premise, it would have dealt more constructively with the economic and human problem of unemployment.

COMMENTS BY HENRY FORD II ON REPORT ON
"THE BENEFITS AND PROBLEMS INCIDENT TO
AUTOMATION AND OTHER TECHNOLOGICAL
ADVANCES"

I share wholeheartedly the concern over unemployment expressed in this report, and I applaud this committee's desire both to speed industrial progress and to spread its human benefits more widely.

Few things are as costly to our Nation, or as crushing to the human spirit, as lack of work for those who are willing and able to work.

Because I hold these views so strongly, I feel compelled to state my belief that this report does not really get to the heart of the matter.

Its major premise is the assumption that automation and technological advance are in and of themselves significant causes of unemployment—an assumption that neither history nor an analysis of current unemployment supports. Technological advance has been with us for many generations. But, popular beliefs to the contrary, technological advance has not been accelerating. Figures from the Bureau of Labor Statistics show, for recent years, an increase in productivity well below the average rate for the postwar period and not much different from the average rate since 1909.

Moreover, the factual evidence strongly indicates that, while automation displaces some individuals from the jobs they have held, its overall effect is to increase income and expand job opportunities. History teaches us that, by and large, workers displaced by technological advance have moved rapidly into other employment, ultimately to better-paying jobs. This is why we have had rising personal incomes rather than mass unemployment as new technology has come into use and productivity has increased.

As Solomon Fabricant has recently pointed out (in his introduction to John W. Kendrick's "Productivity Trends in the United States"):

"Better-than-average increases in output were usually accompanied by better-than-average increases in employment of workers and tangible capital, despite the more rapid rise in productivity. Correspondingly, less-than-average increases in productivity were usually accompanied by less-than-average increases (or even decreases) in output and in the use of labor and capital resources. . . . No one concerned with the rise and fall of industries, or, to single out a currently discussed problem, with the effects of automation on employment, may ignore these basic facts."

When the economy is prosperous, displaced workers quickly find new employ-

ment. This is illustrated by the movement of workers off farms and into industrial employment when times are good, and the slowdown in this movement when times are bad.

The Committee has recognized that the general problem of unemployment is the key problem, but its recommendations are concerned mainly with the important but secondary matters of retraining and mobility. A good employment service and unemployment compensation facilitate the transfer from one job to another, but these measures, even if accompanied by massive retraining, relief, and other social programs, will scarcely make a dent in unemployment when economic conditions are poor.

If, therefore, we would help persons displaced by technological advance, we must focus our attention not on relief or even training—though these, properly conceived and administered, will help—but on creating new jobs for people who seek them and can perform in them.

When wages rise faster than productivity in the economy, costs will rise and then either prices will go up or profits will come down—or both will happen. If profits come down, then incentive to save and to invest savings in new, job-creating plants, enterprises, and industries must suffer. Moreover, unless inflationary measures are taken to support the higher wage, cost, and price levels, demand will not be adequate to maintain production and employment. And, when the integrity of the dollar is at stake, inflationary measures cannot be taken without calamitous results.

We must find ways consistent with a free economy to keep wages and other costs from causing either unemployment or inflation.

I regret that the report does not make this focal problem the primary target of its comments and recommendations. For, when we have found and placed in operation those policies and practices that can keep costs from rising and forcing us into either unemployment or inflation, we will have done much more than could be accomplished by all other measures combined.

The recommendations in this report are concerned mainly with ways of preventing and relieving technological displacement. I personally endorse many of them and the company with which I am associated has long followed practices similar to many of those recommended in the report.

Nevertheless, I have the following general reservations about the character of the recommendations:

First, they cannot solve the problem of mass unemployment because they are directed primarily at helping people to find jobs—not at the basic need for more jobs.

Second, the massive program of public and private actions called for may have unexpected consequences that the Committee has not been able to evaluate. Indeed, I believe that the knowledge and experience necessary to evaluate this sweeping program do not now exist, and that it is, therefore, inappropriate and unwise for this Committee to place its stamp of approval upon such a program. For example, greatly expanded Federal assistance could very well destroy incentives that stimulate private economic activity and generate individual initiative.

Third, the endorsement of comprehensive, economywide programs in very general terms diverts attention from and complicates the search for carefully selected measures to meet particular problems. For example, I believe that the main result of a large-scale, nationwide program to retrain the unemployed might be to impede the development of useful local programs carefully tailored to existing job opportunities and the needs and abilities of individuals.

In addition to these general reservations, I have misgivings about some of the specific recommendations.

With respect to unemployment compensation, I believe that duration, coverage and amount of benefits must be increased where they are inadequate. In addition, safeguards to protect against abuses should be strengthened. I do not endorse Federal standards, but believe the States should continue with responsibility for fitting their particular systems to their own conditions and needs.

I agree that in the main the recommendations for improving our school systems are good. In many areas and localities, however, the most urgent need is not more money but greater public concern with what is taught in our schools.

Arbitrarily shortening the workweek in order to decrease unemployment would be a confession of defeat. Not only a poor remedy, it is also a harmful one; for it would retard the growth needed for the safety and welfare of our Nation at this point in its history. We can and should look forward to normal increases in our leisure time, but they must come as our growing economy can afford them and not as expedient solutions to unemployment problems.

In summary, I find some things in this report of which I approve, and much of which I disapprove. Its goal of making certain that high employment accompany technological improvement and increasing efficiency has my full support. However, I believe that the general direction of its recommendations is not well calculated to achieve this goal. I believe, too, that the report's basic assumption concerning the relationship between technological advance and unemployment is in error.

Therefore, I feel it necessary to say, with reluctance, that I cannot concur in the report.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 24, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

One of our Lord's beatitudes:

Matthew 5: 6: *Blessed are they who do hunger and thirst after righteousness for they shall be filled.*

O Thou who art the light of all that is true and the inspiration of all that is good, may we dedicate ourselves more eagerly to the larger life of service to which Thy love is daily calling us.

May the soul of mankind be kindled and made radiant by the lofty principles of righteousness and justice, of freedom and brotherhood, for we confess that human nature seems at times so selfish and self-centered, so brutal and inhuman.

Show us how we may contribute to the welfare of our beloved country and in all our aspirations and activities may we be determined to cultivate its spiritual resources and strengthen its religious life.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Will the gentleman withhold his point of order until we receive a message?

Mr. GROSS. No, Mr. Speaker.

The SPEAKER. The gentleman from Iowa insists on his point of order that a quorum is not present. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 5]

Bltch	Hosmer	Rhodes, Ariz.
Bonner	Keith	Rostenkowski
Cannon	Martin, Mass.	Scott
Chipfield	Meador	Selden
Davis, Tenn.	Morrow	Sheppard
Finnegan	Miller, N.Y.	Tupper
Flynt	Moulder	Ullman
Gray	Norrell	Van Pelt
Hoffman,	Patman	Winstead
Mich.		

The SPEAKER. On this rollcall, 402 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 8847. An act to amend the Internal Revenue Code of 1954 so as to provide that a distribution of stock made to an individual (or certain corporations) pursuant to an order enforcing the antitrust laws shall not be treated as a dividend distribution but shall be treated as a return of capital; and to provide that the amount of such a distribution made to a corporation shall be the fair market value of the distribution.

POSTAGE REVISION ACT, 1962

The SPEAKER. The unfinished business is the reading of the engrossed copy of the bill (H.R. 7927) to adjust postal rates, and for other purposes.

The Clerk will read the engrossed bill. The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Postage Revision Act of 1962".

POSTAL POLICY

SEC. 2. (a) Section 2302(c) (4) of title 39, United States Code, is amended by striking out "deemed to be attributable to the performance of public services under section 2303(b) of this title" and inserting in lieu thereof "determined under section 2303 of this title to be attributable to the performance of public services".

(b) Section 2303(a) of title 39, United States Code, is amended—

(1) by amending the heading so as to read:

"§ 2303. Identification of public services and costs thereof";

(2) by striking out paragraph (2) and renumbering the succeeding paragraphs accordingly; and

(3) by adding at the end thereof the following new sentence:

"The terms 'total loss' and 'loss' as used in this subsection mean the amounts by which the total allocated costs incurred by the postal establishment in the performance of the public services enumerated in this subsection exceed the total revenues received by the postal establishment for the performance of such public services."

(c) Section 2303(b) of title 39, United States Code, is amended to read as follows:

"(b) The Postmaster General shall report to the Congress, on or before February 1 of each year beginning with the year 1963, the estimated amount by which, in the then current fiscal year, the cost incurred by the postal establishment in the performance of each of the public services enumerated in subsection (a) of this section exceeds the revenue received by the postal establishment for the performance of each such public service. The aggregate amount by which, in any fiscal year, the costs incurred by the postal establishment in the performance of each such public services exceed the aggregate amount of the revenues received by the postal establishment for the performance of such public services shall be excluded from the total cost of operating the postal establishment for purposes of adjustment of postal rates and fees."

(d) The table of contents of chapter 27 of title 39, United States Code, is amended by striking out

"2303. Identification of and appropriations for public services."

and inserting in lieu thereof:

"2303. Identification of public services and costs thereof."

FIRST-CLASS MAIL

SEC. 3. Section 4253 of title 39, United States Code, is amended by striking out the words "four" and "three" wherever appearing in subsection (a) and inserting in lieu thereof the words "five" and "four", respectively.

AIRMAIL

SEC. 4. Section 4303 of title 39, United States Code, is amended—

(1) by striking out the word "seven" in subsection (a) and inserting in lieu thereof the word "eight";

(2) by striking out the word "five" in subsection (b) and inserting in lieu thereof the word "six"; and

(3) by striking out the phrase "3 cents an ounce or fraction thereof" in paragraph (2) of subsection (d) and inserting in lieu thereof the phrase "the rate of postage for other first-class mail matter".

SEC. 5. Paragraph (1), subsection (a), section 4358, of title 39, United States Code, is amended to read as follows—

"Type of mailing	Rate	Unit
(1) Individual piece	4	First 2 ounces or fraction thereof.
(2) Bulk mailings under subsec. (e) of this section of:	1½	Each additional ounce or fraction thereof.
(A) Books and catalogs of 24 pages or more, seeds, cuttings, bulbs, roots, scions and plants:		
(i) Qualified nonprofit organizations	10	Each pound or fraction thereof.
(ii) Others	18	Do.
(B) Other matter	21	Do."

(2) by amending the table in subsection (b) to read as follows:

"Mailed by— (In cents)
Other than qualified nonprofit organizations— 3½
Qualified nonprofit organizations— 1¼"; and

(3) by amending subsection (c) to read as follows:

"(c) The minimum postage rate on pieces or packages of third-class mail of such size

"(1) resides in the county in which the publication is published; and".

SECOND-CLASS MAIL BEYOND COUNTY OF PUBLICATION

SEC. 6. Section 4359 of title 39, United States Code, is amended—

(1) by striking out so much of subsection (b) as precedes the table and inserting in lieu thereof the following:

"(b) (1) Subject to the minimum rate provided for publications of qualified nonprofit organizations and classroom publications by section 4360 of this title, the rates of postage on publications mailed in accordance with subsection (a) of this section are fixed both by the piece as provided in paragraph (2) of this subsection and by the pound as provided in the following table:

"[In cents]"; and

(2) by adding at the end of subsection (b) a new paragraph (2), as follows:

"(2) The piece rates of postage are charged on each individually addressed copy of a publication (except a publication of a qualified nonprofit organization and a classroom publication) mailed in accordance with subsection (a) of this section in addition to the pound rates. The piece rates are as follows:

"Publications other than classroom publications and other than publications of qualified nonprofit organizations—½ cent, effective on and after July 1, 1962, and before July 1, 1963; and 1 cent, effective on and after July 1, 1963."

MINIMUM POSTAGE RATES ON SECOND-CLASS MAIL

SEC. 7. Section 4360 of title 39, United States Code, is amended to read as follows:

"§ 4360. Minimum postage

"The minimum rate of postage is one-eighth cent for each individually addressed copy of—

"(1) a classroom publication or a publication of a qualified nonprofit organization mailed under section 4359 of this title, or

"(2) any publication mailed for delivery within the county of publication except when mailed free under section 4358(a) of this title."

CONTROLLED CIRCULATION PUBLICATIONS

SEC. 8. Section 4422 of title 39, United States Code, is amended by striking out "12 cents" and inserting in lieu thereof "14 cents".

THIRD-CLASS MAIL

SEC. 9. (a) Section 4451(d) of title 39, United States Code, is amended by striking out "(a) (2)" and inserting in lieu thereof "(a) (3)".

(b) Section 4452 of title 39, United States Code, is amended—

(1) by amending the table in subsection (a) to read as follows:

or form as to prevent ready facing and tying in bundles and requiring individual distribution is four and one-half cents."

(c) The third proviso in section 3 of the Act of October 30, 1951, as amended by the Act of June 23, 1959 (73 Stat. 89; Public Law 86-56), is hereby repealed.

EDUCATIONAL AND LIBRARY MATERIALS

SEC. 10. (a) Section 4554 of title 39, United States Code, is amended—

(1) by amending that part of subsection (a) which precedes paragraph (1) to read as follows:

"(a) Except as provided in subsection (b) of this section, the postage rate is 9 cents a pound for the first pound or fraction thereof and 5 cents for each additional pound or fraction thereof, except that the rates now or hereafter prescribed for third- or fourth-class matter shall apply in every case where such rate is lower than the rate prescribed in this subsection on—

(2) by amending paragraph (5) of subsection (a) to read as follows:

"(5) sound recordings;"

(3) by striking out the period at the end of paragraph (6) of subsection (a) and inserting in lieu thereof a semicolon and the word "and";

(4) by adding at the end of subsection (a) the following:

"(7) printed educational reference charts, permanently processed for preservation.;"

(5) by inserting "(including cooperative processing by libraries)" immediately following "loaned or exchanged" in paragraph (1) of subsection (b);

(6) by striking out the word "students" immediately preceding the word "notations" in paragraph (1) of subsection (a) and in paragraph (2) of subsection (b);

(7) by striking out:

"(D) bound volumes of periodicals;

"(E) phonograph recordings; and" in paragraph (2) of subsection (b) and inserting in lieu thereof:

"(D) periodicals, whether bound or unbound;

"(E) sound recordings; and"; and

(8) by striking out "and catalog of those items" in subsection (c) and inserting in lieu thereof "scientific or mathematical kits, instruments, or other devices and catalogs of those items, and guides or scripts prepared solely for use with such materials".

(b) Sections 204(d), 204(e) (1), and 204 (e) (2) of the Postal Rate Revision and Federal Employees Salary Act of 1948, as amended by the Act of July 14, 1960 (74 Stat. 479; Public Law 86-644), are hereby repealed.

METHOD OF DETERMINING GROSS RECEIPTS

SEC. 11. Section 711(c) of title 39, United States Code, is amended by striking out "Public Law 85-426" and inserting in lieu thereof "any Act of Congress enacted on or after May 27, 1958".

COMMUNIST POLITICAL PROPAGANDA

SEC. 12 (a) Section 505 of title 39, United States Code, is amended by inserting immediately after the first sentence and before the second sentence in subsection (a) thereof, the following sentence: "In furtherance of this authority to counteract adverse usage of the mails and to reduce the domestic postal deficit, no international mail handling arrangement under which any postal rate, whether or not reciprocal, is established, shall permit the receipt, handling, transport, or delivery by the United States Post Office Department of mail matter determined by the Attorney General to be Communist political propaganda."

(b) (1) Chapter 51 of title 39, United States Code, is amended by adding at the end thereof the following section:

"§ 4008. Communist political propaganda
"No United States postal rate established by the Postage Revision Act of 1962 shall be available for the receipt, handling, transportation, or delivery of mail matter determined by the Attorney General of the United States to be Communist political propaganda financed or sponsored directly or indirectly by any Communist controlled government."

(2) The table of contents of such chapter 51 is amended by inserting

"4008. Communist political propaganda," immediately below

"4007. Detention of mail for temporary periods."

EFFECTIVE DATE

SEC. 13. The foregoing provisions of this Act shall become effective on July 1, 1962.

Mr. ALBERT (interrupting the reading). Mr. Speaker, I ask unanimous consent that further reading of the engrossed copy of the bill be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The SPEAKER. The question is on the passage of the bill.

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. Mr. Speaker, am I correct in my understanding that the Chair would not entertain a motion to recommend the bill H.R. 7927 to the Committee on Post Office and Civil Service with instructions to report the bill back forthwith as it was favorably reported to the House on September 7, 1961?

The SPEAKER. It is not a question of the Chair not entertaining the motion; it is a question of the motion not being entertainable under the rules of the House.

Mr. GROSS. Then the Chair is stating that the motion would not be in order.

The SPEAKER. Such a motion would not be in order at this stage.

The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

POSTAL INCREASE BILL

Mr. WALTER. Mr. Speaker, I ask unanimous consent to extend in the RECORD at this point a release by the Post Office Department.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, bulletins in all 45,000 post office locations in the United States are calling attention to the possibility that Americans might receive unsolicited Communist propaganda and pointing out that it can be returned to post offices as refused.

The distribution of the posters by the Post Office Department was suggested by a bill (H.R. 5751) reported by the House Un-American Activities Committee and passed by the House in the last session of the Congress. Reported favorably by the Senate Internal Security Committee, this bill now awaits Senate action.

Noting that unsolicited Communist propaganda is being sent persons in this country, the poster says:

This propaganda attempts to promote the objectives of the international Communist movement. It often appears on the surface to be innocent and unimportant.

But the Communists regard propaganda as an important and necessary means for subversion of our Nation and the free world.

In order to achieve the maximum impact, this propaganda often comes to unsuspecting addressees who are not associated with or in sympathy with Communist objectives.

After making clear that such materials are often not labeled to reveal origin or content, the posters make clear that it may be refused and returned but that the privacy of your mail continues to be respected by your Government and the Postal Service.

Printed material from all foreign nations is carried in this country on a reciprocal basis as other countries carry mail originating in the United States, according to the Post Office, the conventions of the Universal Postal Union covering the reciprocal exchange of mail among 112 member nations.

Under the convention, the Post Office explains, surface mail with postage paid in the country where mailed must be delivered to the addressee by the postal system of the country of destination without transfer of funds to that nation.

The advantage is clearly on the side of the United States in the reciprocal exchange of printed matter with other nations, according to the Post Office Department. Latest available figures show that 96 million pounds of printed matter were dispatched from the United States during fiscal year 1961 and only 76 million pounds were received from other nations in the same period.

This difference of 20 million pounds of printed matter delivered by other nations for Americans makes clear that the U.S. Post Office benefits from this mutual exchange of service.

Bureau of Customs' figures show a decline in incoming printed matter from Communist bloc nations, the Post Office Department said. During calendar year 1960, an average of 1,341,298 pieces of printed matter arrived monthly from Communist nations. Since March of 1961, the average has fallen to 865,636 monthly.

Confirming the contention that the United States gets much more than it gives from reciprocal delivery arrangements with Communist nations, the Post Office Department revealed that 2,500,000 pounds of letters and printed matter were sent to addressees in the eight Iron Curtain countries in the 12 months ending March 31, 1961, but during the same period only 1,600,000 pounds were received in the United States from these same nations.

PROGRAM FOR THE BALANCE OF THE DAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to proceed for 1 minute to advise the House of the program for the balance of the day.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, I wish to advise the Members that the Committee on House Administration will call up this afternoon certain privileged resolutions which have unanimously cleared that committee.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. HALLECK. Mr. Speaker, I might say that I have inquired of the minority members of all the legislative committees involved, and the Members on our side say they have no objection but think the resolutions should be adopted.

Mr. ALBERT. I thank the gentleman.

For the information of the House I will read the resolutions that will be considered.

House Resolution 500, providing an additional \$200,000 for the Committee on the Judiciary.

House Resolution 504, providing an additional \$100,000 for the Committee on Banking and Currency, Subcommittee on Housing.

House Resolution 513, providing an additional \$350,000 for the Committee on Un-American Activities.

House Resolution 509, authorizing seven additional employees for the Committee on Ways and Means; and

House Resolution 517, authorizing payment from the Contingent Fund of \$387.73 for expenses incurred by the U.S. Constitution 175th Anniversary Commission, Hon. JAMES A. BYRNE, chairman.

LINCOLN BOYHOOD NATIONAL MEMORIAL

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2470) to provide for the establishment of the Lincoln Boyhood National Memorial in the State of Indiana, and for other purposes, with a Senate amendment thereto, disagree to the amendment of the Senate and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado? The Chair hears none and appoints the following conferees: Messrs. ASPINALL, RUTHERFORD, O'BRIEN of New York, SAYLOR, and CHENOWETH.

REUNITING OF FAMILIES BY GRANTING NONQUOTA STATUS TO CERTAIN ALIENS

Mr. BARRETT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BARRETT. Mr. Speaker, when the 2d session of the 87th Congress convened on January 10, 1962, I introduced H.R. 9493, a bill to reunite families in the United States by granting nonquota status to certain aliens entitled to a preference under the Immigration and Nationality Act. I have purposely delayed my remarks on the bill pending the receipt of vital data from the Department of State.

Mr. Speaker, the purpose of my bill is to alleviate the horrible conditions existing under the complicated procedure contained in the immigration law, which

prevents alien members of families in the United States from coming here to join them—due entirely to the oversubscription of the quota. In particular, I have reference to the situation of the worthy people who have come here from Italy and find to their dismay that members of the families who were left behind only because there were no quota numbers available were unable to come here with them or to join them.

On September 26, 1961, it is true, a law was enacted which granted nonquota status to alien family members who were waiting for quota numbers under the second and the third preference for whom visa petitions had been filed prior to July 1, 1961. However, nothing was done about the people in the fourth preference category notwithstanding the fact that they also were the beneficiaries of approved petitions for quotas visas. Those people to whom I have particular reference are the brothers, sisters, married sons or daughters of citizens of the United States. There is no reason in the world why they should have been excluded from the law which was passed last year. They also yearn to be with their loved ones in the United States and they are entitled to come here for that purpose.

My bill, H.R. 9493, is a very simple one. It grants nonquota status to aliens who are in the second, third, and fourth preference categories, which includes parents of citizens of the United States; unmarried sons or daughters of citizens of the United States; spouses or unmarried sons or daughters of aliens now permanently here, and, the category mentioned above, the brothers, sisters, married sons or daughters of citizens of the United States. Please let it be noted that the fourth preference category, which will be benefited by my bill, also includes the spouse and children of the people in the fourth preference whom I have just designated. One of the most important features of my bill is the fact that these people will receive nonquota status if they have had a visa petition filed on their behalf with the Attorney General prior to July 1, 1962, thus changing the cutoff date enacted last year, which applied to the second and third preference classes. In other words, all of the "relatives" described in the immigration law who are in preference categories will be benefited by my bill and, depending on the efficiency of the Department of State, will be able to migrate promptly to the United States to rejoin their families here.

The Department of State informs me that under the act of September 26, 1961, 18,000 aliens became entitled to nonquota status in lieu of their previous preference position on the quota waiting list and of these 8,156 are in Italy.

I have also been advised that of that number, 4,714 have been issued nonquota immigrant visas thus far, including 2,389 in Italy.

Since my bill benefits the fourth preference category of alien relatives waiting for visas, I have inquired and ascertained from the Department of State that there are 131,260 prospective immigrants in Italy who are waiting for quota

visas under the fourth preference and that the likelihood is that they will not receive their visas under the existing law for a good many years—specifically 12 years since the last fourth preference visa was issued in 1958 with the applicant holding the priority date of January 1, 1950.

Mr. Speaker, as I have indicated, this simple bill is humanitarian in nature. There is nothing unusual about its purpose since legislation of this type has been enacted in the past; nothing in it will destroy the basic immigration and nationality law of this country. In fact, it is entirely in keeping with the spirit which has been exhibited by the Congress over the last 10 years in granting special nonquota status to people who must be admitted to their country to rejoin their families.

There is nothing complicated about my proposal. It is simple and clear. I hope that there will be a general rallying behind my bill and that it will be speedily enacted into law. I certainly will expend every effort to accomplish that result.

POSTAL EXCHANGE WITH COMMUNIST COUNTRIES

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WICKERSHAM. Mr. Speaker, many of us are extremely disturbed by the fact that Communist propaganda can flow into this country freely and be distributed by the U.S. postal system free of charge. The Communists have clearly abused the mail arrangements established under the Universal Postal Union. Many thousands of tons of Communist propaganda flow into this country and are delivered under an order of the Post Office of March 17, 1961. About 99 percent of the people contacted have said that they did not order the mail and did not wish to receive it. Persons in this country are compiling lists of students and others throughout the Nation and sending them to Moscow, where the material is shipped to them. The port of New Orleans alone counted over 300,000 packages of such Communist propaganda destined for schools and colleges in 1 year. From 5 to 15 separate pamphlets were contained in each package. Under the new order, this propaganda material is no longer screened by the Customs Bureau at the port of entry, because—according to the Post Office Department—the program had no intelligence value and it interfered with efforts to improve East-West relations.

Mr. Speaker, I find this a totally unconvincing explanation for the distribution of unwanted and unsolicited Red propaganda material. As the House Committee on Un-American Activities stated in its report of September 14, 1961:

Within recent years we have observed an acceleration of the Communist brainwash-

ing effort directed at the free world and particularly to residents of the United States. Within recent months, there has been observed a noticeable augmentation in the quality and proportion of such propaganda disseminated by means of first-class mail, as contrasted with other means in the total effort. This observation has been confirmed by representatives of the Department of Justice, who have met with the committee in hearings as recently as September 13, 1961. With the growing power and arrogance of the Communist bloc, it is expected that Communist propaganda activities will continue to expand in the years that lie ahead.

The report of the House Committee on Un-American Activities indicates that Communist propaganda items from abroad transmitted through the U.S. postal service increased in the year 1960 to 137 percent over the year 1959, whereas the increase in the year 1959 over the year 1958 was only 18 percent. This is a development which the committee accurately describes as "astounding." This material does not only come from Russia; during the 2 months of February and March 1961, over 162,000 packages of magazines and 11,000 packages of newspapers were addressed to the United States from Communist Cuba. This is a typical example of how the Communist theorists, now operating from their new base in Cuba, are following the basic principles of Marxism-Leninism to further the insidious purposes of the worldwide Communist movement.

It has been argued that giving the Communists greater freedom to disseminate propaganda in the United States is worthwhile in view of the increased opportunities which we have to get the American message through to the Russian people. But this claim ignores the fact that the United States sends very little mail behind the Iron Curtain in comparison with the flood of Communist materials now arriving in the United States. The bill introduced into the Congress in 1961 by the gentleman from Pennsylvania, the Honorable FRANCIS E. WALTER, would put much stricter controls on mail from abroad. It provides that it "shall be unlawful" for any person not within the United States to use the U.S. mails to distribute any "political propaganda" unless the foreign "person" registers with the Justice Department as a foreign agent and states on the mailed items that he is so registered. A Controller of Foreign Propaganda in the Treasury Department would be established to "maintain close liaison with the appropriate committee of Congress in order that they may be advised regarding the control of Communist and other foreign propaganda." Gentlemen, commonsense suggests that some measures of this type are needed to protect us from the insidious machinations of the world Communist movement within our own national boundaries.

Mr. Speaker, I want this use of our mail system by the Communists stopped now. It is our duty as Members of Congress to take the initiative and stop these Reds here and now.

NEED FOR MORE NURSING SCHOOLS AND MORE CANDIDATES FOR THE NURSING PROFESSION

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, not many people were aware that 1961 marked the 100th anniversary of the nursing profession.

The Post Office Department did issue a commemorative stamp. Its first day of issue was December 28, and I was fortunate to receive one through the thoughtfulness of the Westinghouse Broadcasting Co., of Boston, with a picture on the envelope of the "Capping Ceremony; a Big Moment in Life of Student Nurse."

True to its traditions of public service, Westinghouse reminded us, during the season honoring the birth of Christ the Saviour, of the women who help heal the sicknesses of human beings as members of the nursing profession.

Whose humanitarianism, self-sacrifice, and dedication have made nursing so vital to the health of our country.

It was in the Crimean War, starting in 1853, that Florence Nightingale established the first dressing stations.

The 100th anniversary of the nursing profession in the United States coincides with the 100th anniversary of the Civil War, and the first organized effort to blend "Science and a Talent for Mercy" in caring for the sick and the wounded. Since then, nursing has become one of our most honored professions.

To become an "R.N." requires extensive study and training. There is a growing need and demand for their services, both in hospitals and private homes, but not enough girls are going into training.

Lack of facilities and incentives have caused a critical shortage of registered nurses. Our President, in his state of the Union message, spoke of this shortage, as a matter of national concern, and urged Congress to take appropriate action to facilitate and encourage the training of more nurses.

Subsequently, the New York Herald Tribune reported that: "18 British nurses arrive to help shortage." They were the first of 50 nurses recruited abroad to work at the Albert Einstein College of Medicine, Bronx Municipal Hospital Center, which has a shortage of 100 nurses.

Dr. M. Henry Williams, associate professor of medicine and physiology was quoted as saying:

The plan to import these nurses * * * was conceived among the faculty of the college. There is a shortage of approximately 60,000 trained nurses in this country * * *. We see this step as a practical approach to solving the immediate need in our teaching hospitals until our own school of nursing is completed.

I propose that the Congress, recognizing the essential service given by these angels of mercy in protecting the health

of our people, should immediately consider practical ways and means to help overcome the shortage of trained nurses.

POSTAL RATE BILL

Mr. GOODLING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GOODLING. Mr. Speaker, my remarks today are addressed specifically to the unreasonableness of the proposed increase on second-class postage rates. This applies to newspapers and magazines.

The Pennsylvania Farmer is published in Harrisburg, Pa., and has a circulation of more than 144,000. In 1961 this company paid \$28,791 for mailing its magazine. The proposed increase of one-half cent per copy would add—and notice I said "add"—an additional \$34,304 or an increase of more than 100 percent. The 1½-cent proposed increase in 1963 would add \$102,912 to the cost or an increase of more than 300 percent. This would appear to be an unreasonable and very unrealistic increase and can only result in irreparable damage to an industry that has served agriculture for many years.

This and similar companies have received six rate increases in the past 9 years for a total of 130 percent. The company realizes distribution costs have risen and is willing to assume reasonable increases but this suggested increase does not appear to be in the reasonable category.

It should be noted that practically 100 percent of farm magazines are mail delivered. Very few have newsstand circulation. This simply means the impact is greater on this type magazine than those not completely mail circulated.

I stated at the outset, my remarks concerned mainly second-class mail. There is another aspect also that will add to costs if this amendment is adopted.

Most farm magazine subscriptions are renewed or new ones acquired by the use of third-class mail, thus adding additional cost to the publishers.

Farm magazines in the United States deserve a great deal of credit for our enviable production records through the dissemination of information derived from research, experiments and other types of current information. They are the logical and most simple means of supplying this information—possibly they should be penalized for helping produce surpluses. Surveys by all land grant colleges reveal farm publications do supply important information which most farm families use to put new practices into use which result in more efficient operation.

Farm investments are constantly increasing and it becomes more and more important that operators receive all information as it becomes available.

If I were to name the most asinine statement in connection with postal rate increases, the choice would be easy. It came in a letter dated January 22, 1962,

which I assume each Member received. It was written by one in high position in the postal service. The following is an exact quote:

The proposed increase for magazines and newspapers would be limited to copies delivered "outside" their counties of publication.

Note the word "outside" is quoted.

That information raises the \$64 question. How long could any farm publication survive if its circulation were pretty largely confined to the county of publication? One need not be an Einstein to answer that.

ELIMINATE CHARGES TO TOURISTS FOR CAPITOL TOURS

Mr. DOOLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DOOLEY. Mr. Speaker, I have today introduced a concurrent resolution which would, if agreed to by both bodies of the Congress, create a Board to look into the feasibility of eliminating the charges to tourists for Capitol tours.

The proposed Board, to consist of the Architect of the Capitol, the Sergeant at Arms of the Senate, and the Sergeant at Arms of the House, would study all aspects of the question and submit its findings and recommendations to the Committee on House Administration and the Committee on Rules and Administration of the Senate, not later than January 1, 1963.

I am hopeful such a study would recommend means whereby these tourist charges could be eliminated.

I have had the Legislative Reference Service of the Library of Congress secure information regarding the prevailing practice in other countries in showing visitors through their capitol buildings, and have found that among the major capitals of the world, we are unique in this respect.

I could understand the basis for such a practice if this building were a museum. It is, however, a living, working institution.

While the fees are nominal—25 cents for adults, 15 cents for children—and the tour is well worth many times that amount, the principle being violated over 900,000 times a year is that one should not have to pay anything to see one's own Government at work.

I would hope that this resolution would not result in any major changes in the present Capitol Guide Service, for these 24 individuals have been doing a creditable job through the years.

THE LIBRARY OF CONGRESS,

Washington, D.C., January 4, 1962.

To: Hon. EDWIN B. DOOLEY.

From: Foreign Affairs Division.

Subject: Information regarding other countries' practices with regard to showing visitors through their capitol buildings.

In answer to your request, subject as above, dated December 21, 1961, this office

telephoned several Embassies and obtained the following information:

France charges no admission fee to enter its Parliament. However, one must get permission from the Secretary of Parliament before he can be admitted. This is best accomplished through the good offices of a member of the French Parliament. There is no guide service, but a man at the front desk will gladly answer pertinent questions.

Italy is in a rather unique situation. Its Parliament building is controlled by the municipal government of Rome. Nevertheless, this setup does not markedly alter their practice of guide service. There is no admission fee, but one must have a special pass. A foreign visitor may obtain such a pass upon the recommendation of his respective Embassy. There is no guide service per se, but a guard accompanies all tourists, and he will attempt to answer questions and explain about the building.

The Soviet Union likewise imposes no entrance fee upon tourists desiring to see the Kremlin. All the buildings are open to the public every day. No special arrangements for gaining admittance need be made for any of the buildings except the Oruzhanaya Palata. It, too, is open to the general public, but there is generally such a long line of people waiting to get in that it would be wise to arrange for a special tour. The regular guides speak in Russian, but one can obtain an interpreter through Intourist for whatever period is desired.

West Germany charges no admission fee and provides free guide service for those parts of the Bundestag which are open to the public. The guide service is operated by the Bundestag administration.

Canada also charges no admission fee, and provides free guide service through its Houses of Parliament in Ottawa.

Great Britain charges no admission fee, but provides no free Government-operated guide service. Foreign tourists may obtain passes to see Parliament in session by contacting either a Member of Parliament or their respective Embassy. The Houses of Parliament are open to the public on Saturdays and on certain holidays, when Parliament is not meeting.

MEXICO

National Palace: Permission to tour building can be obtained anytime from the Intendente del Palacio whose office is in the palace. The Government provides guides to conduct visitors through apartments. A tip of 2.50 pesos (20 cents) per guide is suggested. One or two pesos for the employee of the palace. (Terry's Guide to Mexico 1948.)

ARGENTINA

According to Mr. Mathe, first secretary of the Embassy in Washington, there is no formal guide service, nor is there an admission charge to the Edificio del Congreso.

CHILE

There is no formal guide service, nor is there an admission charge to the Edificio del Congreso.

BARRY A. SKLAR.
JOHN S. GOSNELL.

[From the Evening Star, July 1, 1961]

COMMERCIALIZED CAPITOL

Senator GORE makes a valid point in attacking the commercialization of some of the sightseeing services in the Nation's Capital. But in throwing stones at the conduct of private guides in front of the White House the Senator seems to forget that he lives in a glass house himself.

We refer to the tight little commercial sightseeing monopoly which operates in the Halls of the U.S. Capitol. While the 24 Capitol guides are appointed by the Sergeants at Arms of the House and the Senate, they for all practical purposes are operating

a private business. The 25 cents a head which they collect for shepherding visitors around the building is tossed into a pool and divided among them weekly. It would be unnatural, therefore, if their primary concern were anything but the size of the groups they can round up.

This, of course, is an absurd situation. Capitol guides should be on the Capitol payroll, and their performance should be carefully supervised. The tours they conduct, furthermore, should be free. It is an indignity which has been permitted to exist for too long that citizens who come here from the far corners of the Nation should be charged a fee in order to gain a working knowledge of the major symbol of American democracy.

[From the New York Times, Mar. 21, 1961]
CRITIC AT LARGE—BASIC CONCEPT OF AMERICAN DEMOCRACY PREVAILS IN 25-CENT TOUR OF CAPITOL

(By Brooks Atkinson)

WASHINGTON.—For a change of mood, take the 25-cent guided tour through the Capitol.

Everybody has some grievance against the Government, contempt of Congress being practically the first article of good citizenship. But the guided tour in the company of other Americans suggests that the original idea remains unsullied. The beautiful building that symbolizes the Union, the unfailing courtesy of the attendants who meet the public and the modest manners of the tourists show that the idea of self-government is alive for everyone.

The symbol of government may be fairer than the fact. In practice, self-government may be squalid, unpredictable, and sometimes corrupt. But the tourists who wander quietly through the corridors and sit in the visitors' galleries believe in the American dream.

What the guides have to say is consistently interesting. Only experts can be as factual about the history of the various rooms, the significance of the paintings and the lore of this immense building where so many American worthies have talked and talked.

On this spot, John Quincy Adams, the old Roman, suffered the stroke that ended his long public career when, after having served as President, he served as a Member of the House of Representatives. On that spot, Abraham Lincoln attended to the national business when he was an obscure Congressman from Illinois. The building is steeped in memories.

But today's comments concern the public mood that sets this building apart from all others and continues the tradition of the original covenant. It is home for any American who comes to see it. Both the attendants and the tourists assume that every American has an equal right to be there. Egalitarianism has never been practiced with less effort or more clemency. The lovely white building with its immaculate corridors and footworn steps and its jumble of statuary silences the visitor as if it were a cathedral.

Although our guide had given her itinerant lecture more times than she could compute, she was impersonal about it. She did not try to impose her personality on the tourists or the building that contained them. Our party consisted of about 30 boys and girls of school age and 5 adults. Most of them were carrying cameras and the other impedimenta of the American sightseer. The clothes were informal and neat. Everyone appeared to be on a holiday excursion to a place of great personal interest.

As we made our way through the halls, stopping here and there to listen to the guide, and then filed unobtrusively into the visitors' galleries of the House and the Senate, I tried to think of the words that might describe the attitudes of the people. They

were serious and receptive; they were willing to believe. None of the young people threw any gags around, and the adults looked both eager and respectful. The general mood was reverent, with a sense of participation in it.

Since the foundations of the Capitol were put down in 1800 for a structure that would represent the classical tastes of Washington and Jefferson, the building has grown enormously. Flanked by two huge wings, it is stupendous now. But the character has not been lost as the size has increased. Despite its grandeur, the building has a buoyant appearance, like a mansion on a hill; and the towering cupola has the grace to be also homely, as though it were confident without being proud.

What happens in the two legislative chambers is seldom on the spiritual level of the building. For the men and women who make the laws are not abstract principles but citizens; and they have to deal with commonplace realities. But many harsh and a few tragic experiences under the great dome have not contaminated the Capitol. The 25-cent tour suggests that the old idea is still pure.

THE FARM PROBLEM IS AN ECONOMIC QUESTION—NOT A POLITICAL ONE

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, no solution to the farm problem will ever be found by continuing to make our farmers political pawns. I repeat what I have said, time and time again: The farm problem is an economic question—not a political one—and should be treated as such.

But Orville L. Freeman, former Governor of Minnesota and now our Secretary of Agriculture, apparently does not intend to take the objective economic approach. Having had no experience in agricultural matters, he intends to utilize his abundant experience in politics. No doubt that is why he was made Secretary of Agriculture.

At a meeting of the ASC in Springfield, Ill., all the committeemen were advised, with the Under Secretary of Agriculture present, that while they could not be denied voting as they saw fit, they were expected to support the President's program or resign. In other words, they were expected to be politically active in behalf of the Kennedy administration.

I also call your attention to the article which appeared in the New York Times of last Sunday, an Associated Press story out of Washington. It states that "the cooperative Federal-State Extension Service is being asked to enter the political arena to help shape future farm policies and programs." As the article explains, this "would impose on the service a role it has studiously avoided in its long history."

Mark you, and mark you well, what Secretary Freeman is doing when he places the Extension Service of the Department of Agriculture actively into politics to advocate the administration's program. He is turning a nonpartisan

educational agency into a medium for dissemination of political propaganda.

He is setting up a system for the party line conditioning of American youth. I need only to remind you that the Extension Service is the agency that administers the 4-H clubs of our young farmers. There are around 94,000 of these clubs in the United States with a total membership of 2,300,000 boys and girls.

Mr. Speaker, this type of thing must never be permitted to take place. No Secretary of Agriculture, whoever he may be or with whatever political party he may be affiliated, must ever be allowed to convert a service agency of his Department into a youth indoctrination agency of any kind.

And so, Freeman, the would-be czar of Agriculture, begins his organizational efforts to make political peasants out of our independent American farmers and America's wonderful 4-H boys and girls.

SALARY INCREASES

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WICKERSHAM. Mr. Speaker, a question of a salary raise is now coming up again. Mr. Speaker, I think now is the time to hold the line. What I said then was true, and what I said then was well received by the House. What statements I made were distorted. I think now we ought to hold the line.

I have been constantly in Washington, D.C., on the job in Congress since the opening; however, over the weekend I had the privilege of attending the 21st annual meeting of the Oklahoma Electric Cooperatives in Oklahoma City. This meeting was held the evening following the presentation of the President's budget message to the Congress. The following day I visited three different towns in my congressional district, and had the pleasure of talking with hundreds of my constituents. I wish to advise my colleagues that everywhere I went my constituents were delighted that the President had presented a balanced budget to Congress. Not only did they agree that the budget must be balanced, but urged that Congress do everything in its power to increase the surplus, thus reducing the national debt. I commend the President for sending a balanced budget and I pledge to support constructive measures for increasing the surplus in order to further reduce the national debt without new taxes.

I am sure my colleagues have noticed in the past few weeks, a whole series of newspaper articles appearing in the Washington press, and in one instance in a large metropolitan newspaper in my State, which suggested that Congress will be requested to increase the salary of certain high Government officials, including members of the Cabinet, and Members of Congress.

Gentlemen, I have pledged myself to support constructive measures for increasing the surplus in order to further

reduce the national debt without new taxes.

I do not intend to betray the trust placed in me by my constituents by supporting unrealistic measures to increase the cost of government when our objective should be to build up our financial reserve and develop a strong America.

Reducing nonessential spending is the most effective way. Necessary spending is a must, but unnecessary spending should not be indulged in. The international crisis that the American people face will demand not only our close personal attention, but a great deal of our financial attention in the year and years to come. The President's budget recommendations call for the expenditure of 63 cents of every dollar spent next year by our Government to go for national defense and space development. This is a situation the American people did not invite, but one that we must face up to with determination, and unity of purpose.

Congress should be seeking ways and means to reduce nonessential spending. Consideration of any measure to increase the salary of the Members of this House would be some indication to the country that the Congress has removed all restraint and is now proceeding to open the floodgates. It would signal the beginning of another round of inflation affecting both prices and wages. The President and Congress have held the line on inflation in the past session, and we cannot set these forces into motion again. The hope of a balanced budget would be dashed to pieces against such forces.

Gentlemen, the Congress voted to increase the salary of its membership 7 years ago for the first time in a decade, and the major consideration was the tremendous effect inflation had upon the buying power of the then-present salary. That is not the situation today and no such justification exists today for even considering such a measure.

Neither at that time, nor at any other time, did I ever say I could not live on the salary.

I will not vote for a salary increase for myself or my colleagues in this House.

Mr. DOYLE. Mr. Speaker, will the gentleman yield?

Mr. WICKERSHAM. I yield to the distinguished gentleman from California.

Mr. DOYLE. I have served on important congressional committees with my colleague from Oklahoma [Mr. WICKERSHAM] for many years. I know him intimately.

I can personally vouch for the fact that the gentleman from Oklahoma [Mr. WICKERSHAM] never did make the statement that he could not live on the salary.

I have listened with considerable interest to the statement of the gentleman from Oklahoma. And may I add that I consider it to be not only important but a courageous statement. I would appreciate knowing if my colleague has changed his position from 7 years ago?

Mr. WICKERSHAM. The able gentleman from California has asked a fair question and I am delighted to answer it.

I believe what he has in mind is the distorted and overdeveloped version of my original position that was presented in my State by a certain metropolitan newspaper. I would like to clarify from the beginning that "I never said I could not live on my salary."

My position 7 years ago was that when inflation or other economic forces have destroyed the purchasing power of a Government employee's salary, it is the duty of Congress to adjust that situation. Unlike employees in private business, Government employees cannot bargain collectively or strike, and only Congress can grant them relief.

This is the current situation a segment of our Government employees face, including our postal employees, as President Kennedy stated in his state of the Union message.

Seven years ago it was the Members of Congress who found the purchasing power of their salary eaten away by inflation, and my position was in agreement with the action of this august body.

Congress is not faced with that situation today, and I repeat, I will not vote for a salary increase for myself or my colleagues in this House.

Mr. ELLIOTT. Mr. Speaker, will the gentleman yield?

Mr. WICKERSHAM. I will be glad to yield to the distinguished gentleman from Alabama.

Mr. ELLIOTT. Mr. Speaker, I have listened carefully to the facts just presented by my colleague, the gentleman from Oklahoma [Mr. WICKERSHAM]. I completely concur in the statements made by him. As a matter of fact, the record 7 years ago shows and the Members know that the gentleman from Oklahoma [Mr. WICKERSHAM] did not make the statement that he could not live on his salary. WICKERSHAM's statement has often been taken out of context and distorted. May I compliment the gentleman from Oklahoma [Mr. WICKERSHAM] for his presentation of the true facts at this time. He is highly regarded by the Members of this House. And, I would like to say that I too am interested in seeing our Government operate under a balanced budget. I personally doubt the wisdom of considering a congressional salary increase bill at this time.

RETRAINING FOR NEW JOB OPPORTUNITIES

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PERKINS. Mr. Speaker, on January 4 it was my very great pleasure to be accompanied by Mr. Ivan Nestingen, Under Secretary of the Department of Health, Education, and Welfare; Mr. William Batt, Area Redevelopment Administrator in the Department of Commerce; Mr. Robert Salyers and Mr. Sam Merrick from the U.S. Department of Labor; to Mayo Vocational Training

School for a day's study and observation of its instructional program. I think what we found from our visit and in our discussion with the school administrators and faculty has a great deal of significance in connection with this body's consideration of the manpower resources training bill, H.R. 8399, which was reported from the House Education and Labor Committee in the closing month of the first session.

Mayo is in the heart of the Seventh Congressional District of Kentucky which has suffered an extremely high rate of unemployment in the last decade due in large part to the substantially fewer number of miners engaged in the bituminous mining industry. Even in the face of lessening job opportunities Mayo's record of job placement to my knowledge is unexcelled by any vocational school in the country—Mayo's approximates 100 percent. Several factors could be singled out to account for this excellent achievement, but one of the most significant to my mind is the fact that Mayo is constantly gearing its machinery and equipment and its instructional curriculum to the specific needs of industry without sacrificing its reputation for giving craftsmen a solid foundation and background in their specific crafts. It might even be said in one sense of the term that Mayo's program involves on-the-job training so close is its program patterned after the actual industrial operation which will utilize the skills of Mayo's trainees. Mayo has gained the respect and high esteem of the many industries which have employed its former trainees.

A great amount of credit is due many people for the excellent operation at Mayo—George Ramey, its present director, James L. Patton, a former director, now a consultant in the Department of Health, Education, and Welfare, and, of course, its excellent faculty. E. P. Hilton, head of Kentucky's vocational education bureau, and Fred Martin, with Kentucky's trade, industrial and distributive education program, have done much to enhance the program.

Retraining for new skills in demand is not, of course, the sole or complete answer to the high unemployment that plagues many areas of our Nation but the history being made at Mayo indicates that on-the-job training will provide many of our people with new skills with which to find employment. After all, it is difficult to argue with Mayo's 100-percent placement record.

COMMITTEE ON THE JUDICIARY

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 500 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That, effective January 10, 1962, the expenses of conducting the studies and investigations authorized by H. Res. 56 of the Eighty-seventh Congress, incurred by the Committee on the Judiciary, acting as a whole or by subcommittee, not to exceed \$200,000 including expenditures for the

employment of experts, special counsel, clerical, stenographic, and other assistants, and all expenses necessary for travel and subsistence incurred by members and employees while engaged in the activities of the committee or any subcommittee thereof, shall be paid out of the contingent fund of the House on vouchers authorized by such committee signed by the chairman of such committee and approved by the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON BANKING AND CURRENCY

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 504 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the further expenses of conducting the studies, investigations, and inquiries authorized by H. Res. 143, Eighty-seventh Congress, incurred by the Committee on Banking and Currency, acting as a whole or by subcommittee, not to exceed \$100,000 in addition to the unexpended balance of any sums heretofore made available for conducting such studies, investigations, and inquiries, including expenditures for employment, travel, and subsistence of accountants, experts, investigators, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House, on vouchers authorized by such committee or subcommittee, signed by the chairman of such committee, and approved by the Committee on House Administration.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 513, introduced by the gentleman from Pennsylvania [Mr. WALTER] for the Committee on Un-American Activities of the House, requesting \$350,000, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That for the further expenses of conducting the investigations authorized by section 18 of rule XI of the Rules of the House of Representatives, incurred by the Committee on Un-American Activities, acting as a whole or by subcommittee, nor to exceed \$350,000 including expenditures for employment of such experts, special counsel, investigators, and such clerical, stenographic, and other assistants, and which shall also be available for expenses incurred by said committee or subcommittees outside the continental limits of the United States, shall be paid out of the contingent fund of the House on vouchers authorized by said committee and signed by the chairman of the committee, and approved by the Committee on House Administration.

SEC. 2. That the official stenographers to committees may be used at all hearings, if not otherwise officially engaged.

Mr. RYAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN. Mr. Speaker, in the 1st session of the 87th Congress I voted against a similar resolution. I oppose this resolution. The arguments which I advanced on this floor on March 1, 1961, apply today.

I said then that this committee has not served a useful legislative purpose. Let us examine the committee's legislative activity during 1961.

During the 1st session of the 87th Congress 9,480 bills were introduced in the House. Twenty-seven were referred to the committee. Out of the 27, 16 are identical with other bills, leaving 11 different bills. H.R. 6, the omnibus bill, includes the entire substance of 5 of the 11. This means that there were in reality only six substantive proposals before the committee.

Other bills containing language either similar or in part identical to the language in three of these six proposals were introduced in the House and referred to different committees. Let us look at the three.

Various bills containing language similar to or identical with various sections of H.R. 6 have been referred to the Armed Services, Foreign Affairs, Post Office and Civil Service, and Judiciary Committees.

The second case is H.R. 2302. Four bills similarly designed to compel testimony and grant immunity were referred to the Judiciary Committee. It seems only logical that this question should be considered by the Judiciary Committee.

The third case is H.R. 5751. Nine bills similarly concerned with the question of Communist propaganda in the U.S. mails were referred to the Post Office and Civil Service Committee.

The three remaining bills—H.R. 1845, H.R. 4700, and H.R. 7914—appear on their face to be within the province of other committees.

H.R. 1845 establishes a Freedom Academy to promote understanding of communism and methods to counteract it. It provides for the selection of both United States and foreign students and grants-in-aid to finance their studies. At first impression this proposal seems to belong in the Education and Labor Committee. But it also provides a non-immigrant status for foreign students and outlines deportation procedures. Surely the Judiciary Committee should consider these provisions. The bill also provides that a cross-section of foreign students will be selected from the areas "in which the total political war is being fought." Under this concept the Freedom Academy would be an instrument of foreign policy, which should be the province of the Foreign Affairs Committee. The Un-American Activities Committee is hardly the place to formulate foreign policy.

H.R. 4700 provides that no Communist organization shall be allowed any deduction or exemption for Federal income tax purposes and that no deduction shall be allowed for contributions to a

Communist organization. This bill clearly belongs in the Ways and Means Committee.

H.R. 7914 provides that individuals who refuse to testify before a Federal agency with respect to subversive activities shall lose their rights, privileges, and benefits under the Constitution and, for good measure, under any law of the United States. For flavor, let me quote from the bill—H.R. 7914, page 2:

[Such individuals] shall be ineligible thereafter—

(A) to hold any office or place of honor, profit or trust under the Constitution or laws of the United States of America.

(B) to hold, or to be issued, any certificate, license, passport or other document, issued under authority of any law of the United States of America, which confers any right, privilege, or benefit upon such individual, and

(C) to apply for or to be granted any other right, privilege, or benefit under any law of the United States of America.

Legislation denying an individual's rights under the Constitution and all laws of the United States is a textbook illustration of a bill that belongs in the Judiciary Committee.

I have pointed out how unnecessary the committee is from the point of view of legislation. Legislation now pending there comes within the jurisdiction of other committees.

Let us now look at the hearings held by the committee in 1961. There were a total of five hearings, which were held in Washington, including one which merely took testimony from three friendly witnesses. A total of 43 witnesses were called. Thirty were unfriendly and refused to give any evidence. The other 13 were friendly witnesses, who gave evidence freely. One of the 13 was on the committee staff, 6 worked for the U.S. Government, 3 were admitted ex-Communists. The remaining three were equally cooperative. One was employed by Fulton Lewis, Jr., one was president of a college conservative club, and the third worked for a city police department.

If there is little to show for last year's appropriation of \$331,000 in the hearings, perhaps the appropriation financed substantial and valuable research to be found in the form of reports issued in 1961. One report entitled "Communist Target: Youth" was written by J. Edgar Hoover and issued by the committee. It appears to be part of the committee's effort to justify the San Francisco hearings of 1960 as does another report—House Report No. 1278—called The Truth About the Film "Operation Abolition." These efforts are purely defensive and make no legislative contribution. A third report—House Report No. 2237—is the committee's own Annual Report for the Year 1960, which was printed in January 1961.

In reviewing the committee's activities in 1961, it should be noted that the committee not only received an appropriation of \$331,000 for 1961 but also received an estimated \$62,000 for printing costs. We are now asked to appropriate \$350,000 for 1962 which means a total appropriation for the 87th Congress greater than the appropri-

tions for such committees as Ways and Means, Foreign Affairs, Judiciary, and Education and Labor.

However, we should remember that the issue involved is democracy. The Un-American Activities Committee, the atmosphere of anxiety it embodies, and the fear and suspicion it spreads are the antithesis to the spirit of democracy. The democratic spirit demands controversy, dissent, free discussion, and free association. These the committee clearly opposes. The committee itself is the high priesthood of acceptability. It alone defines what is and what is not un-American. When students oppose the committee, it accuses them of toying with treason. The committee has lost faith in the democratic process. It is vital to that process that dissent be heard and differences be argued out to be accepted or rejected by ultimate commonsense.

President Kennedy in a memorable speech at Los Angeles on November 18, 1961, spoke about the frustrations of the age we live in and the effect upon our institutions of those who spread fear and suspicion. His words should be considered by all of us. The President said:

Now we are face to face once again with a period of heightened peril. The risks are great, the burdens heavy, the problems incapable of swift or lasting solution. And under the strains and frustrations imposed by constant tension and harassment, the discordant voices of extremism are heard once again in the land. Men who are unwilling to face up to the danger from without are convinced that the real danger comes from within.

They look suspiciously at their neighbors and their leaders. . . . They find treason in our finest churches, in our highest court and even in our treatment of water. . . . But you and I and most Americans take a different view of our peril. We know that it comes from without—not within. (New York Times, Nov. 19, 1961, p. 54.)

I ask all of you to join with me in upholding the foundation principles of our great Nation by opposing this resolution.

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, this appropriation, on which I understand there will be no recorded vote, is, of course, a continuation of the program the committee outlined to the House Administration Committee last year. It is well known that I opposed this program and the appropriation at that time, and I see nothing in the accomplishment of the committee so far this year to make me change my mind.

However, the decision for the 87th Congress was basically made last year, and the committee properly could expect to make its plans on the basis of that decision. It would be picaresque, unsportsmanlike and ineffective, therefore, to make any considerable fight on the issue at this time. I want, however, for the record, to reiterate my feeling that the committee does not justify these large expenditures of the taxpayers'

money, and in my considered opinion its proper functions could be far more effectively executed by the Judiciary Committee of the House. The entire issue, I am sure, will be a matter for early consideration in the 88th Congress.

Mr. PELLY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, in connection with House Resolution 513, to provide the necessary funds for the continuation of the activities of the House Committee on Un-American Activities for fiscal 1962, I note that the gentleman from California [Mr. ROOSEVELT] has expressed continued opposition to allowing these funds, stating in essence that in his opinion there was nothing in the accomplishments of the committee during the 1st session of the 87th Congress to warrant the expenditure of this money. The gentleman from New York [Mr. RYAN] takes the same position in his remarks, declaring that the committee had no useful legislative purpose.

As a Member of Congress who has always supported the continuance and adequate funds for the House Committee on Un-American Activities, I disagree emphatically with both these colleagues. Inasmuch as I am not a member of the Committee on Un-American Activities, I believe I can speak very objectively as to the accomplishments of this committee during 1961, and since I spoke out strongly in favor of adequate funds for the committee last year, I feel impelled to defend its record, especially so because last year I testified in person in support of its appropriation.

Therefore, Mr. Speaker, let me recite briefly a few of the things that to my knowledge have been successfully undertaken by the committee during the past year and the remarkable contribution I feel this committee has made to the internal security of this Nation.

First, let me say that in these perilous days it would be a dereliction of congressional responsibility as well as the height of folly for the Congress not to investigate subversive activities. Has not J. Edgar Hoover warned us:

The Communist threat from without must not blind us to the Communist threat from within. The latter is reaching into the very heart of America through its espionage agents and a cunning, defiant, and lawless Communist Party, which is fanatically dedicated to the Marxist cause of world enslavement and destruction of the foundations of our Republic.

Mr. Speaker, it is important that the Congress and the Nation be fully informed of the developments of the international Communist conspiracy and particularly as to its operations within our own country. The Congress must obtain up-to-date information as to the Communist movement, both national and international.

Now that the constitutionality of the Internal Security Act of 1950 has been upheld by the Supreme Court of the United States, the task of this committee in the fields of investigation and re-

search will be significantly greater. The Communist Party will go further underground and will intensify its operations through Communist fronts. It will step up its operations into every aspect of American life, and there are indications it will renew its efforts within our important labor unions. The Communist Party will resist enforcement of that act, and it will devise cunning methods for evasion of the law.

To meet these new and greater problems, the committee will have to extend itself to the utmost toward increasing its investigations and research activities. The entire Congress and its committees, which will have to deal with various aspects of the Communist operation, must have basic and sound information upon which to make legislative judgments. It would be a mistake to believe that the legislative functions of the House Committee on Un-American Activities is solely to inform its own members; its specialized work serves to keep the entire Congress informed, and other legislative committees as well.

During 1961, I am informed, demands by Members of Congress for information from the records of the committee were greater than ever before. The committee's reference section handled more than 3,000 requests from members for information relating to 8,000 individuals and over 4,000 organizations and periodicals. Compared with the previous year, this reflects a 50-percent increase in number of subjects on which information was sought by Members of the Congress and reflects a 45-percent increase in the number of inquiries. In response to these requests the reference staff of the committee, I am told, developed information on a total of 3,428 subjects, and written reports were prepared in each case.

Moreover, representatives of investigative agencies in the executive branch of the Government made approximately 2,100 visits to check the committee's records, more than two-thirds of them on a full-day basis. The committee prepared more than 3,500 exhibits for use in its hearings and investigations.

The committee conducted intensive investigations which led to numerous executive hearings on the subject of the security procedures of the National Security Agency. The work of the committee in this respect I regard as an outstanding accomplishment. I think it may be said accurately that the committee succeeded where many others had failed. The unique efforts of this committee have been recognized by the Defense Department. The committee investigations were begun in September 1960, following the defection to the Soviet Union of National Security Agency Employee William E. Martin and Bernon F. Mitchell.

The committee's inquiry revealed that security was very lax in certain areas of National Security Agency operations, that an Assistant Director in the Agency had filed official documents fraudulent in content and that the Director of Security for the Agency had engaged in unethical practices in the course of conducting official Agency business and had tolerated similar conduct by certain

subordinates. The resignation of the said persons was demanded and obtained this past November and December. In addition, as a result of leads obtained by this committee and provided to the Department of Defense, 26 other National Security Agency employees were released from employment during the last year. National Security Agency witnesses have given credit to the House Committee on Un-American Activities for changes made in security practices.

In the course of another series of executive hearings the committee interrogated officials of the National Science Foundation, which dispenses Federal funds to institutions and individuals for scientific research as part of this Nation's defense efforts. The fund has had a \$263 million budget for 1961. The investigations indicated that the foundation lacked effective procedures which could have affected the use of taxpayers' money by individuals publicly identified as members of the Communist Party, as well as individuals with criminal records.

The above investigations, which are of tremendous importance to the national security clearly demonstrates one of the most important functions of the committee, mandated to it by the Congress; namely, that of legislative oversight and surveillance by the Congress over the execution of laws by the executive branch. This function alone would warrant a continuance of this standing committee. I might also point out that only a committee with continuous and long experience could effectively cope with the problems posed by the Communist conspiracy, which is secret and underground.

Other investigations and hearings were held with a view toward providing a base and understanding for remedial legislation. Among these were the hearings relating to the vital communications industry. The threat to our security posed by Communist access to radio and communications apparatus was subject to further exploration in 1961. The hearings have been published. Three officials of the Federal Communications Commission testified in relation to proposed legislative measures under consideration by the committee. Other witnesses testified freely regarding former Communist Party membership while employed with radio stations; eight communications industry employees refused to answer questions on alleged party activities in the past; and the present secretary-treasurer, and the editor of the American Communications Association, a union expelled from the CIO in 1950 on charges of Communist domination, refused to answer all questions regarding present or past party membership, despite testimony by numerous witnesses placing the two important union officials in the party's ranks.

In addition, Mr. Speaker, the committee held hearings on propaganda bills designed to cope with the tremendous influx of Communist propaganda now poisoning the Nation. The hearings have been printed, disclosing a diversity of problems which the committee and the Congress are attempting to resolve. Hear-

ings were held on H.R. 5751 and the view of the executive agencies presented to the Congress with the initial committee recommendations. The amended H.R. 5751 was passed by the House last fall and is now awaiting Senate action.

The committee has likewise instituted hearings in 1961, marking the opening of committee inquiries into the current organization, leadership and operations of the Communist Party in the United States, with particular reference to the degree of its dependence on the latest Soviet dictator, Nikita Khrushchev. Close to 100 documents, mainly from Communist sources, were introduced into the record. Witnesses who played key roles in recent Communist Party developments as a result of their positions as party officers or functionaries were interrogated at length. The inquiry, which has not been completed, revealed that the Communist Party in the United States in 1958 resolved a bitter 2-year leadership struggle. The hearings show that in the solution of this struggle there was direct intervention by Soviet Communists and that the final party leadership was the one which was directed by Soviet Communists. The hearing record also contains a roster of the identity of the party's present national leadership, the structural framework of the party, and its disciplined, paramilitary method of operation on American soil.

The committee likewise explored, in its hearings on the fund for social analysis, the utilization of Communists of a type of propaganda organization seeking to increase Communist influence within the academic communities of this Nation. The hearing was in connection with H.R. 4700, proposing various new tax policies with respect to Communist-controlled organizations.

The committee likewise made intensive investigations and conducted hearings relating to two new Communist fronts entitled "National Assembly for Democratic Rights" and the "Citizens Committee for Constitutional Liberties." A formal committee report on these organizations has been issued. It was clearly demonstrated in these important hearings in what manner the Communist Party of the United States, with support from other Communist groups on the international scene, has sought to influence the Congress, the Supreme Court and the American people in relation to security legislation. The hearing report which has been published in two parts and already disseminated to the Members of the House, is certainly an important and interesting study.

In addition to many executive hearings, the committee has revised its important "Guide to Subversive Organizations and Publications," together with preparation of a 5-year supplement to its "Cumulative Index." At least 200 organizations and projects and 44 publications characterized as Communist have been added to the guide since the previous edition of January 1957. Altogether, 818 Communist organizations or projects and 147 Communist publications are listed in the revised guide. The index is a publication of 563 pages. Moreover, the committee at the same time made a study and revision of its

rules of procedures, which were printed and distributed to the Members of the House. I think these rules fully protect witnesses and justify the approval of a committee of the American Bar Association which found the procedures of the House Committee on Un-American Activities to be fair and proper.

There is more legislation pending in the committee now I am informed, than at any time in its history. In addition to the legislation previously mentioned, there have been introduced and reported to this committee during this Congress 12 bills, which does not include duplications. One of these bills is an omnibus bill which contains 37 subjects. I am advised that other important legislation will be introduced and in all probability referred to this committee during this session.

I might also note that the committee investigations and reports have been extremely useful to both Members of the House and the Senate. A review of several of the bills introduced by Members of Congress will disclose their basis on the work and information obtained for the Congress by this committee. This indeed points out the important place that the House Committee on Un-American Activities fills in the legislative work of the Congress as we attempt to cope with what is no doubt the most serious threat to its existence that this Nation has ever faced. I wish personally to pay a tremendous debt of gratitude to this small committee for its help to me. Its staff is obviously carrying a heavy burden. In saying so, I am certain that I am expressing the opinion of the vast majority of the Members of Congress.

In citing this record, Mr. Speaker, I do so because I fear too many think extra funds for the Defense Department is the only answer to national security. The knowledge of communism and Communist tactics is equally or perhaps even more essential because of the part that public opinion plays under our system.

I strongly support the \$350,000 for investigational work of the Committee on Un-American Activities. The record clearly shows these funds will be well spent in the public interest.

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON WAYS AND MEANS

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration I call up House Resolution 509 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Committee on Ways and Means is authorized, until otherwise provided by law, to employ seven additional clerical employees to be paid from the contingent fund of the House at rates of compensation to be fixed by the chairman in accordance with section 202(c) of the Legislative Reorganization Act of 1946.

The resolution was agreed to.

A motion to reconsider was laid on the table.

U.S. CONSTITUTION 175TH ANNIVERSARY COMMISSION

Mr. FRIEDEL. Mr. Speaker, by direction of the Committee on House Administration I call up House Resolution 517 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That there shall be paid out of the contingent fund of the House of Representatives the expenses of the United States Constitution One Hundred and Seventy-fifth Anniversary Commission authorized by Public Law 86-650, as amended, in the amount of \$387.73.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HOUSE COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. RYAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RYAN. Mr. Speaker, on House Resolution 513 my position is the same as it was in the 1st session of the 87th Congress. I am opposed to it and ask unanimous consent to extend my remarks prior to the passage of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

TEXTILE IMPORTS

The SPEAKER. Under previous order of the House, the gentleman from South Carolina [Mr. HEMPHILL] is recognized for 60 minutes.

Mr. HEMPHILL. Mr. Speaker, I rise today to talk on the subject of textiles and textile imports because in the areas in which that particular industry is part of the basic economy, we are finding that we are still losing jobs, we are losing money, and the economy of those particular areas is being adversely affected. We find that the threat of imports from Japan and other countries continues to be an economic threat in those sections of the country. I shall continue to speak on this subject from time to time this year, and until our problems are solved and we get some relief.

We were very happy last May when the President of the United States, in keeping with platform promises made during the campaign in the fall of 1960, unfolded a textile aid plan containing seven different points. Those points he emphasized and some of those particular points have since been implemented by activities on the part of the President or people acting out his direction or in his behalf.

Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD a statement from a newspaper of May 3, 1961, outlining that particular program.

The SPEAKER pro tempore (Mr. BLATNIK). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The matter referred to follows:

KENNEDY UNVEILS TEXTILE AID PLAN—SEVEN-POINT PROGRAM OUTLINED—IMPORT QUOTAS ARE REFUSED

WASHINGTON.—President Kennedy Tuesday set forth a seven-point program to aid the textile industry without—as he put it—disrupting international commerce.

Among the President's recommendations was legislation to permit industries threatened with harm as a result of increased imports to receive assistance from the Federal Government.

Kennedy did not adopt industry suggestions for import quotas by country and by category of goods. Instead he said an application for protection from foreign imports would be "carefully considered on its merits."

NATIONAL INTEREST

Kennedy said he believed his program would help the textile industry meet its problems while recognizing the national interest in expanding world trade and fortifying underdeveloped countries.

"It is my hope that these measures will strengthen the industry and expand consumption of its products without disrupting international trade and without disruption of the markets of any country," Kennedy said.

The administration program was worked out by a Cabinet committee headed by Secretary of Commerce Luther H. Hodges, a one-time textile manufacturer.

TEXTILE REPRESENTATIVES

It was outlined to representatives of the textile industry by White House aids as the President's press office made it public.

TWENTY-THREE INDUSTRY LEADERS

Kennedy spoke to the 23 industry leaders as they gathered to receive his recommendations.

These are the measures which Kennedy proposed:

1. An expanded program of research by the Department of Commerce in cooperation with union and management groups. This would embrace new products, processes, and markets.

2. A Treasury Department review of depreciation allowances coupled with the credit incentives for investment suggested in his tax message 2 weeks ago, should help modernize the industry.

3. Assistance by the Small Business Administration in obtaining necessary financing for modernization of equipment.

EXPENSE DIFFERENTIAL

4. Study by the Department of Agriculture toward eliminating or offsetting the cost to U.S. mills of the differential in expense for raw cotton between domestic and foreign textile producers.

5. Legislation to permit industries "seriously injured or threatened with serious injury as a result of increased imports to be eligible for assistance from the Federal Government."

6. An early conference, to be arranged by the State Department of leading textile export and import countries to seek an international understanding on trade that will avoid undue disruption of established industries.

7. Assurance that an application by the industry for action under trade laws, such as the escape clause or national security provision of the Trade Agreements Extension Act, will be carefully considered on its merits.

IMPORT THREAT

Industry leaders have insisted their livelihood has been threatened critically by tex-

tile imports. At one point the Amalgamated Clothing Workers of America announced members of the union would refuse to cut Japanese cloth for men's suits, but the threatened boycott was revoked on Kennedy's urging.

A Senate subcommittee headed by Senator JOHN PASTORE, Democrat, of Rhode Island, had recommended for the use of import quotas.

BIG EMPLOYER

Kennedy, in announcing his program, said that the textile industry is the country's second largest employer. Two million workers are directly affected, he said, and another 2 million are employed in supporting industries.

"It is of vital importance in peacetime, and it has a direct effect upon our total economy," Kennedy said. "All the studies have shown that unemployment in textile mills strikes hardest at those communities suffering most from depressed conditions."

Mr. HEMPHILL. Mr. Speaker, when we begin to talk about imports, to those who want to face up to some other responsibility than their responsibility to the American worker, to those who want some excuse for voting for some policy which takes textile jobs and to those who say, "It does not cost you anything, look how well you are doing," I point out that the Department of State has spent considerable money in making a survey as to how much exporting we did from various parts of the textile areas. I do not know how much money was spent in that propaganda attempt but I know that since that time I have been propagandized again by the State Department, and I have written them and dared them to tell the truth about the situation. But I fear there is no truth in them so far as the textile industry is concerned.

As I view the failures of our State Department on many of the foreign fronts and see their continued attitude on the home front it gives me great concern. I have an article from a newspaper dated October 17, 1961, in which it says that "Imports Cost Textile Industry \$12 Billion" in one particular year. At a time when we are trying to raise our gross national product; at a time when we have 4 million people unemployed; at a time when we have a record budget ahead of us; at a time when we have a national debt which will reach \$300 billion, how can we afford, with the future in front of us as it is, to continue to lose money such as we have lost in that particular area?

Mr. Speaker, I ask unanimous consent to include this article at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The matter referred to follows:

SALES LAST YEAR—IMPORTS COST TEXTILE INDUSTRY \$12 BILLION—LIMITATION OF IMPORTS IS PETITIONED

WASHINGTON.—Excessive imports cost the domestic textile industry more than \$12 billion in sales and an estimated \$750 million in profits before taxes last year, spokesmen for the trade reported Monday.

The figures were cited in a final industry brief submitted to the Office of Emergency Planning in support of a petition for import limitation under the National Defense section of the Reciprocal Trade Agreement.

Aside from the last sales and profits, the brief contended, the low-wage foreign shipments resulted in a loss of \$497 million in Federal and State taxes which the domestic trade would otherwise have paid, and a \$1.1 billion cut in wages and salaries for textile workers and executives.

"The effect of these losses on the country's economy are self-evident. They have weakened and will continue to weaken the economy until the conditions which caused them are corrected," the brief pointed out.

The presentation was filed on behalf of the American Cotton Manufacturers Institute and other trade organizations representing cottons, apparel, fibers and other segments of the domestic trade to support the industry's petition of last May 15 for import limitations.

The OEP, successor to Office of Civil and Defense Mobilization, has the power to recommend import curbs if it finds a defense industry is being hurt by excessive foreign import competition, but a final decision on such matters rests with the President.

To indicate the textile trade's importance to the economy, the industry brief cited the following figures for last year.

The combined textile mill products-apparel and other finished fabric product industries accounted for: \$9.5 billion or 7.8 percent of national income derived from manufacturing; \$7.6 billion or 8.6 percent of wages and salaries paid by manufacturing; \$2.1 billion or 13.2 percent of all manufacturing workers, in arguing that its petition for relief should be based solely on defense and economic issues, the textile brief said.

Mr. HEMPHILL. Mr. Speaker, if it were just money alone we might say, "well, we can afford that." But when you are losing money, you are losing jobs. When you are losing jobs, you are losing consumer purchasing power. When you are losing jobs, you are losing security for people who have been paying taxes—people who have been good American citizens and who want to work but whose jobs are being taken away from them because of the particular policies of this Government and because of the failure of the Department of State that is in control of the situation to secure the employment of the textile workers in America, and particularly in that part of the country from which I am privileged to come.

Mr. Speaker, just as an example, in answer to those who say, "Well, it does not have any impact on the economy," and you hear statisticians tell you, "Well, the volume is very low"—and they can quote statistic after statistic—but here is a significant article from the Rock Hill (S.C.) Evening Herald, a daily paper in my district dated October 31, 1961, and which article, Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point.

The SPEAKER pro tempore (Mr. BLATNIK). Without objection, it is so ordered.

There was no objection.

The newspaper article referred to is as follows:

LOWENSTEIN REPORTS 69-PERCENT DECREASE IN NET EARNINGS

The third quarter report of M. Lowenstein & Sons, Inc., showed net earnings decreased 69 percent for the first 9 months in 1961, as compared with the first 9 months of 1960.

Earnings for the 9-month period amounted to four-tenths of 1 cent on each dollar of sales.

These figures were revealed today by officials of Rock Hill Printing & Finishing Co., a subsidiary of M. Lowenstein & Sons, Inc. Lowenstein Chairman Leon Lowenstein announced that net income after taxes for the 9-month period ending September 30, 1961, amounted to \$1,410,156, equal to 50 cents a share.

Comparative figures for the same 9-month period last year showed \$4,631,586, or \$1.63 a share.

Net income after taxes for the 3-month quarter ending September 30, 1961, was \$446,677, or 16 cents a share. This compares with \$768,292 or 27 cents a share for the third quarter of 1960.

Total sales for the 9 months in 1961 amounted to \$329,300,830. Total sales for the same period last year were \$343,003,834. This represents a decline of 4 percent.

Mr. HEMPHILL. This particular article goes on to say that Lowenstein reports a 69-percent decrease in net earnings in the third quarter of 1961.

Under the American free enterprise system, in order to keep running, you have to make profits and in order to give people jobs, those jobs must be productive of profits in order to pay their salaries and to profit on the investments necessary for industry—it is elementary that you have to have a return on your investment. Now it does not go on to say in this particular article how many jobs were affected or how the policies would be affected in the future. It just says that the earnings went down 69 percent. Lowenstein has a marvelous plant in my particular district and hires a great number of fine American people, and the running of this fine plant and its payroll has a great impact on the economy of my section of the country. I say it is not right—it is not right to ignore the facts of life—to let these companies go down because of the policies of any branch of government.

Somebody said, "What are we going to do about it?" I was unhappy to learn in September of last year that the United States had boosted Japanese textile exports and that they had compromised last year. I sat here for 4 years under the previous administration and I have seen compromise after compromise taking place. I have been uptown to the various departments trying to get some relief and receiving none, but instead getting a lot of promises. This is just a continuation of the betrayal of the American textile workers.

Mr. Speaker, I ask unanimous consent to include this article in my remarks at this point.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The article referred to is as follows:

NIPPON TO OBSERVE EXPORT CONTROLS—U.S. BOOSTS JAPANESE TEXTILE EXPORTS—RISE IS RESULT OF COMPROMISE BETWEEN NATIONS

TOKYO.—The United States today agreed to an increase of about 8 percent in Japan's textile exports to the United States during 1962, according to Warren P. Christopher, special U.S. representative at textile talks concluded here today.

The two countries reached an interim agreement under which Japan would be permitted to raise her U.S. textile exports from 255 million square yards this year to 275 million square yards in 1962 in exchange for a promise to observe voluntary export controls.

Japan's 1962 quotas will be increased by about 8 percent over 1961.

The number of categories will be "only slightly more than the present agreement in sensitive areas." Under the recent Geneva agreement on textiles 64 different categories were listed. Japan had been afraid the United States would insist on her exports being spread out over more categories but Christopher said the United States settled for "a great deal" less than the 64.

The two countries will hold consultations any time that the United States determines there has been "undue concentration on any item" and Japan will agree to hold exports on that item to 110 percent of the 12-month period preceding the consultations.

Each particular group of textiles will be permitted 5 percent flexibility. But increases will be permitted only in the so-called "basket category" (unspecified items).

From the U.S. standpoint, this agreement has been made in accordance with the Geneva agreement and is under the Geneva umbrella.

It also was provided that the two nations would begin negotiations October 9 on a new long-term agreement, "which will be to the benefit of all exporting and importing countries."

Mr. HEMPHILL. Mr. Speaker, everybody who is familiar with the situation knows that we have a quota, and those who adopt the policies which have been so detrimental to our textile industry say, "Well, they have a voluntary quota and it is not going to hurt you because the quota is going to take care of you."

I think I have pointed out here before, and I will point it out here again, the method by which they eliminate some segment of our American textile industry. Three or four years ago, they eliminated a gingham mill in my particular district. I will never forget it because there were people who were employed there whom I knew and loved. Two hundred people had jobs there, and there was a large payroll involved. It was one of the better communities of this Nation. Now I find that they are zeroing in on another part of the textile industry. What they do is to take their quota and apportion a sufficient portion of it to undercut a particular market for American manufacturers, and they can just swamp that particular market. All they have to do is to swamp that market for 2 or 3 succeeding years, and soon the American manufacturer does not have the money to go on. He cannot show a net profit statement to his bank to borrow money. So the American manufacturer cannot continue in business because he cannot make money. So the factory closes—people are unemployed. Yet, the people down at the State Department say, "Aren't we good friends with the Japanese?"—which we are, I suppose. But, Mr. Speaker, I think it goes a little bit further than friendship when you betray American workers and destroy American jobs—and that is what has been taking place.

Now we can talk about programs all we want to. But programs are not enough. Promises are not enough. The only thing that will answer our problems is action. We, in the Congress, who are aware of these problems and who represent the people who are being hurt by these policies and who are losing their jobs are asking for action and we will continue to ask for action.

I have here a letter from Mr. Arthur R. Hutchinson of the J. Sullivan & Sons Manufacturing Corp., dated September 13, 1961, and another letter dated October 7, 1961.

These two letters tell in effect what is happening to that particular company which makes narrow fabrics for zippers and things of that kind. They have a plant in my district. It is a fine plant and they employ some fine American people who need their jobs. The community needs the payroll for the consumer purchasing power to be maintained. That area of our country needs these profits for the benefit of its industrial economy. Yet, the Japanese have increased their imports into this country and they are flooding the market in this particular instance to the point that these very mills are threatened.

I ask unanimous consent, Mr. Speaker, to include in my remarks at this point these letters which outline in detail this particular problem.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The letters referred to follow:

J. SULLIVAN & SONS
MANUFACTURING CORP.,

Philadelphia, Pa., September 13, 1961.

HON. ROBERT W. HEMPHILL,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN HEMPHILL: I am the associate and partner of John K. Benfield, Jr., Sullivan-Southern Inc., York, S.C., who manufactures zipper tapes, and J. Sullivan & Sons Manufacturing Corp., Philadelphia, Pa., who finishes and sells them and our 12-year operation in York, S.C., and our 108-year operation in Philadelphia is in trouble.

I attach copies of letters which explain the situation.

The narrow fabric industry is composed of many manufacturers who make many types of narrow fabrics. Jack and I specialize in zipper tape, in fact we are 100 percent in zipper tape. During World War II we were 100 percent in Government tape and during Korea about 50 percent. The way the narrow fabric industry is going today many of us will not be here if and when we are needed again.

Let me tell you of the plight of the zipper tape manufacturers since World War II.

The seven largest producers of this item of narrow fabrics in 1946 were:

Russell Manufacturing Co., Middletown, Conn.

Hope Webbing Co., Pawtucket, R.I. (closed—machinery scrapped).

Krout & Flite, Philadelphia, Pa. (bankrupt—machinery scrapped).

J. Sullivan & Sons Manufacturing Corp., Philadelphia, Pa.

Hoffman Tape Mills, Cheltenham, Pa. (bankrupt—machinery scrapped).

Tape-Craft Inc., Anniston, Ala.

Federal Ribbon Co., Williamsport, Md. (bad fire).

Today Tape-Craft has a small percentage of their large operation on zipper tapes; Federal I believe has some limited production and the others have closed down as far as zipper tape is concerned.

A large newcomer to the field several years ago, Bridgeport Fabrics of Davidson, N.C., shut down two-thirds on September 1, 1961, and will be shut down completely on September 30, 1961, on zipper tape.

Of the remaining manufacturers in the narrow fabric field making zipper tape, Aristocrat, Carson, Wayne, and Bux in Philadelphia; Statesville in North Carolina; and

Penn Textile in York, Pa., and Sullivan-Southern, Inc., in York, S.C., none of them I am sure are running full.

It is from these zipper-tape looms that our Government in the past has received their type I and type II when they wanted it, besides many, many other narrow fabrics. I ask you, When they want it again will they get it from Japan?

Because of the fact that our company gave 100 percent of their production to the Government during the war on a three-shift 7-day basis, we have just won back some of our customers whom we did not supply during this emergency and now we are being hurt by excessive imports. We can stand some but not, as Jack Benfield says, 30 percent of the American requirements.

An investigation by me at the Philadelphia customhouse shows that the import duty on zippers under 4 cents each is 50 percent; on zippers over 4 cents each is 40 percent; plus .01275 per pound on the brass; and on all component parts 50 percent.

Zipper imports are no problem to the zipper manufacturers. I do not know of any component parts that are imported except tape, which is taxed at 17½ percent.

If top and bottom stops and sliders are taxed at 50 percent as component parts why, I ask, is tape, also a component part, taxed at only 17½ percent?

Jack and I would like an opportunity to meet with you in either Washington, D.C., or Chester, S.C., to further discuss this matter.

The people in York, S.C., are looking for a continuation and an increase in employment, not a decrease, and with help from our Government we feel we can continue to expand.

Very truly yours,

ARTHUR R. HUTCHINSON.

J. SULLIVAN & SONS
MANUFACTURING CORP.,

Philadelphia, Pa., October 7, 1961.

HON. ROBERT W. HEMPHILL,
U.S. House of Representatives,
House Office Building, Washington, D.C.

DEAR CONGRESSMAN HEMPHILL: I want to take this opportunity of thanking you for the time you so willingly gave to my associate, John K. Benfield, Jr., and me when we called on you the past Wednesday at your office in Chester, S.C., and following your suggestion I will attempt to put in writing the various facts, figures and information that Mr. Benfield and I presented to you at that meeting, in connection with the problem we are faced with due to increased importation of slide fastener or zipper tape from Japan.

There are three corporation, either owned or controlled by Mr. Benfield and me, involved in this matter.

J. Sullivan & Sons Manufacturing Corp., a Pennsylvania corporation operating in Philadelphia, Pa., employing at the present time approximately 50 employees, is a 108-year-old company. This corporation purchases natural woven cotton zipper tape, has it dyed or bleached by one of two companies in Philadelphia, has this tape finished and packaged and sells it to zipper manufacturers throughout the country.

Sullivan-Southern, Inc., is a South Carolina corporation, employing approximately 120 employees in York, S.C., started its operations 12 years ago in York, S.C., and purchases their yarn locally to manufacture its tape, which it sells to J. Sullivan & Sons Manufacturing Corp., as its only customer.

Crescent Narrow Fabrics Corp., a North Carolina corporation, which formerly operated in Charlotte, N.C., rents its narrow fabric equipment to Sullivan-Southern, Inc., and its real estate in Philadelphia to J. Sullivan & Sons Manufacturing Corp., as well as to several other tenants.

The narrow fabric industry is composed of many manufacturers who weave many

types of narrow fabrics. Our companies specialize in zipper tape, in fact our entire production today is 100 percent on zipper tape. However, during World War II our production was 100 percent on Government tapes and webbings and during Korea approximately 50 percent.

Immediately following World War II the seven largest producers of zipper tapes, not necessarily listed in size, were:

Russell Manufacturing Co., Middletown, Conn.

Hope Webbing Co., Pawtucket, R.I.

Krout & Fite Manufacturing Co., Philadelphia, Pa.

Hoffman Tape Mills, Cheltenham, Pa.

Federal Ribbon Mills, Williamsport, Md.

Tape-Craft, Inc., Anniston, Ala.

J. Sullivan & Sons Manufacturing Corp., Philadelphia, Pa.

Since that time Russell Manufacturing Co. has discontinued the manufacture of zipper tape. Hope Webbing closed down and scrapped their machinery. Krout & Fite and Hoffman Tape Mills, went bankrupt and their machinery was scrapped. Federal Ribbon suffered a bad fire and as of today, I believe, have limited production. Tape-Craft, Inc. has only a small portion of their large operation on zipper tape, leaving us the only one of the original seven still operating on this item, as we were after World War II.

Bridgeport Fabrics of Davidson, N.C., a large newcomer in the zipper tape field for several years, shut down two-thirds of their production on September 1, 1961, and the balance was shut down on September 30.

After World War II, as well as today, Aristocrat Narrow Fabrics Co., Wm. T. Carton & Sons, Wayne Mills and J. R. Bux & Sons of Philadelphia, Statesville Narrow Fabric of North Carolina and Penn Textile in York, Pa., are practically the only narrow fabric mills still running zipper tape and from personal conversation I doubt that all of them are running full and most of them are gradually transferring their production from zipper tape to other narrow fabrics, as did Tape-Craft of Anniston, Ala.

It is from these zipper tape looms that our Government in the past has received a great portion of their type I and type II when they wanted it and further deterioration in the narrow fabric industry, caused by increasing imports, will certainly lessen the availability of this tape to our Government if and when it is needed.

In an effort to stabilize zipper tape prices in America, early in 1961 I went to Japan, but was unable to purchase any portion of the 1961 quota.

Upon my return I was able to purchase from a New York agent, through Crescent Narrow Fabrics Corp., a lot of zipper tape that was denied to J. Sullivan & Sons Manufacturing Corp. earlier in the year and I attach herewith copies of letters written to my accountant on January 5, 1961, to my agent on September 11, 1961, and to my customer on September 13, 1961, which I hope will give you a clear picture of Japan's voluntary increase of their voluntary quota.

Then there is the question of duty on these imports. Zipper tape is imported to make zippers and zipper tape is taxed at 17½ percent. An investigation by me at the Philadelphia customhouse shows that the import duty on zippers, costing under 4 cents each, is 50 percent and on zippers costing 4 cents or more it is 40 percent plus an additional duty of .01275 per pound on the metal contained therein. Furthermore the records show that the duty on all component parts to make zippers is 50 percent. Zipper imports are no problem whatsoever to the zipper manufacturers in America. Apparently, except for tape, component parts of zippers are no problem to the zipper manufacturers or to the manufacturers who specialize in component parts only, because of the 50-per-

cent duty. Metal, which I understand is taxed at 10 percent, is of little bother to the American manufacturers because of its weight, and cotton thread, cotton bobbins and cotton cord, needed in the manufacture of zippers, have a duty of 35 percent and I know of no imports on these items.

It seems strange to me that cotton zipper tape is taxed at only 17½ percent whereas cotton cord, cotton thread and cotton bobbins are taxed at 35 percent and top stops and bottom stops and sliders are taxed at 50 percent plus and all are component parts of a zipper. From information given me by a zipper manufacturer, a 7-inch zipper, materialwise costs as follows:

Unbleached tape, duty 17½ percent.....	\$0.00380
Metal slider, duty 50 percent.....	.00265
Aluminum, duty 10 percent.....	.00250
Cord, duty 35 percent.....	.00102
Top and bottom stop, duty 50 percent plus.....	.0009
Thread and bobbins, duty 35 percent.....	.0003
Total.....	.01117

If zipper tape were classified as a zipper component instead of under the broad coverage where it is listed, and taxed as a component part as are other component parts, our problem of Japanese imports would be alleviated.

In discussing this matter with Mr. Julius R. Bux, of J. R. Bux & Son, of Philadelphia, one of our competitors, he advised me that he was scheduled to appear before the Dent subcommittee regarding the impact of imports and exports on unemployment, on July 21 but due to an accident on July 19 he was unable to be present, but his 10-page brief was accepted in their records.

In my opinion the increased voluntary quota of Japan, standing at 900,000 pounds in 1961, represents approximately 30 percent of all of the zipper tape that all of the narrow fabric manufacturers made in 1960, which explains the reason why prices are becoming depressed and unemployment in the zipper tape portion of the narrow fabric industry is increasing.

At the present time Sullivan-Southern, Inc., in York, S.C., has not fully felt the impact of these imports and inasmuch as they have not, neither have our employees in Philadelphia, but if the voluntary quota of 300,000 pounds in 1961, which was voluntarily increased to 900,000 pounds, is further increased or not decreased back to where it was, I feel sure that come 1962 our companies will certainly have to curtail production in both Pennsylvania and South Carolina.

With kindest regards, I am,

Sincerely yours,

ARTHUR R. HUTCHINSON.

Mr. HEMPHILL. Back in 1960 when the campaign was on, the then Vice President of the United States, whom the people of the country more recently discarded in his presidential aspirations, came down to North Carolina and made a lot of promises. Of course, he could not fool us. I had been up to the White House about the textile problem, talked to General Persons and some of the others up there, because it was so critical. I had been to the Secretary of Commerce of that administration. I had talked to some of the people down at the State Department. No one gave me any satisfaction. All said everything was going to be all right. Meantime I had mills closing, people out of work, continued imports, troubles, even had a little recession. Textiles were about to go soft again.

They kept on giving promises, so when Mr. Nixon came down to the area and made his promises everybody knew they were empty promises.

That has not been so with this administration. I am glad to report that we have had some relief. We have had relief in the method of depreciation and we are most happy for it.

Mr. Speaker, I would like to include in my remarks at this time the background for this particular relief which was given to us in October of last year.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The matter referred to follows:

BACKGROUND TECHNICAL STATEMENT REGARDING CHANGES IN TEXTILE DEPRECIATION

In accordance with one phase of the President's program of assistance to the U.S. textile industry announced May 2, 1961, the Treasury Department has reviewed the average useful lives of textile machinery and equipment used in determining depreciation allowances. This review has produced a new set of estimated average useful lives to replace those provided in Bulletin F, as revised in January 1942.

The estimated useful lives suggested by the Internal Revenue Service for more than 80 percent of textile machinery have been revised. The new lives as well as the old Bulletin F lives are shown in the attached table. Average useful lives of 15 years will be indicated for the first 10 items, for which Bulletin F indicated lives ranging from 15 to 40 years. Finishing equipment will have a suggested average useful life of 12 years as compared to earlier composite lives of 15 to 20 years. Estimated average depreciable lives of machinery and equipment not shown in the attached table will be subject to similar review and adjustment.

The new estimated lives will be applicable to new acquisitions. It is also expected that adjustments will be made, prospectively only, to the remaining useful lives of textile machinery and equipment now in use. This will be accomplished by applying depreciation rates based upon revised useful lives to the applicable basis, reduced by salvage where appropriate; however, with respect to assets having a remaining life of 5 years or less, an adjustment to useful lives will be made only where a shorter life can be substantiated. The adjustments to remaining useful lives of existing machinery and equipment will be made only by those taxpayers who are adopting retirement policies consonant with the adjustment.

The adoption of the revised average useful lives for textile machinery and equipment will not result in the salvage on such items being treated differently than is provided by existing regulations.

For some time the Treasury Department has been engaged in a comprehensive review of depreciation allowances under the existing provisions of the income tax law. As a result of the President's directive, the study of allowances in the textile industry was accelerated. It was found that the administrative guidelines for depreciable lives in this industry required adjustment in view of technological advances and an increased rate of obsolescence. Similar studies are proceeding with respect to other sectors of industry, but conclusions have not yet been reached as to whether or in what degree administrative estimates of depreciable lives require adjustment. Decisions with respect to administrative change will depend upon conditions and practices which vary from industry to industry. The Treasury Department is moving ahead rapidly with this general and comprehensive review.

For the textile industry, the average useful lives of machinery and equipment shown in the 1942 edition of Bulletin F range from 15 to 40 years. The appropriate test for determining the useful life of an asset in a particular case is the period over which the asset may reasonably be expected to be used by the taxpayer in his trade or business or in the production of his income. A number of textile firms have been replacing their machinery and equipment more rapidly than the Bulletin F suggested lives and the Internal Revenue Service has accordingly permitted depreciation in such cases over the shorter life.

The broad review of the depreciation allowances and the practices in the industry included independent studies by Internal Revenue Service engineers, inspection trips to several textile mills and to the plants of textile machinery manufacturers, and a careful evaluation of the data relating to technological advances presented by the industry. In addition, a series of meetings has been held between officials of the Treasury and Internal Revenue Service and representatives of the industry, including the American Cotton Manufacturers Institute and the American Textile Machinery Association. Careful consideration was given to the rapid technological advances which have occurred in the industry, particularly during the past 2 or 3 years and the further advances reasonably to be expected in the near future. The industry appears to be in the early stages of a major breakthrough in technological change. New machines are now available and in limited use which are rendering obsolescent many present-day textile machines. The pressure for innovation is accentuated by the keen competition among domestic producers and from foreign mills. It is believed that recent developments and machines now on the drawing boards of domestic and foreign manufacturers will engender further technological advance which will accelerate the rate of obsolescence in the industry.

Suggested average useful life in years

Name of machine	Bull. F, 1942	Revised estimate, 1961
1. Opening, blending, feeding equipment.....	30	15
2. Cards.....	40	
3. Combers.....	25	
4. Drawing frames.....	25	
5. Roving frames.....	25	
6. Spinning frames.....	30	
7. Twisters.....	15-25	
8. Winders.....	25	
9. Sizers.....	25	
10. Looms.....	25	
11. Finishing equipment:		12
Cotton bleaching.....		
Washing.....		
Drying.....	Composite	
Dyeing.....	15-20	
Dry finishing.....		

Office of Tax Analysis, Treasury Department, Oct. 9, 1961.

Mr. GROSS. I want to commend the gentleman for the statement he is making. He well knows that I have supported the position which he takes with respect to these imports, but I still say to the gentleman that the relief which he seeks under this administration is not forthcoming and it will not be forthcoming.

Mr. HEMPHILL. I commend the gentleman for his efforts, and they are magnificent efforts, and nothing I have said was meant to be to the contrary. The gentleman has long been in the forefront of the fight for American industry. I do not agree with the gentleman in his statement about this administration's

lack of interest. If I recall correctly, there were campaign promises. Some of them have been implemented. There is soon to be a program and there has been some effort in that direction. This administration has the onus upon itself to assume that burden and I feel we are going to get some relief because we certainly need to get relief.

I am not only talking about the fate of the textile industry in my area but about the situation as it applies to other industries in the general area, as I have done on so many occasions.

In the field of apparel the textile import problem continues to be a source of great concern. I have here correspondence and statistics from the apparel industry committee on imports which I would like to include in the RECORD at this point, and, Mr. Speaker, I ask unanimous consent that I may include these reports and tables at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The matter referred to follows:

APPAREL INDUSTRY COMMITTEE ON IMPORTS, Washington, D.C., October 17, 1961.

HON. ROBERT W. HEMPHILL,
Member of Congress,
Chester, S.C.

DEAR CONGRESSMAN HEMPHILL: Your deep and continuing interest in the import problem which faces the apparel-textile-fiber industry is greatly appreciated. We are taking the opportunity of the congressional recess to review the course of the problem in recent months. For perspective, look back to a few essential points:

Early in his administration President Kennedy set up a Cabinet-level Textile Advisory Committee to look into the effect of apparel-textile-fiber imports on the domestic industry. This Committee was unanimous that something ought to be done, but divided on exactly how to do it.

On May 2 the President issued his 7-point program. At this time he said, "The problems of the textile industry are serious. * * * I believe it is time for action."

On May 15 an application for an investigation by the Office of Civil Defense and Mobilization was filed by the 11 major apparel-textile-fiber associations under point 7 of the President's program and accepted by OCDM on June 15. This is still pending.

On July 16, 16 nations met in Geneva, Switzerland, to try and implement point 6 of the 7-point program. A short-term arrangement was agreed to which became effective October 1, 1961. It authorizes any participating country to restrain imports by unilateral action at a level not lower than the 12-month period ending June 1961, if imports cause or threaten to cause disruption in domestic markets.

In mid-August negotiations were opened with Japan for a bilateral agreement for 1962. The industry had been advised by Under Secretary of State for Economic Affairs, George W. Ball, that Japan would be granted an increase in imports of around 5 percent category by category. At various times, Mr. Ball adjusted the figure upward, but with assurances that the increases granted to Japan would be more than offset by a 30 percent rollback in apparel-textile imports from Hong Kong.

Now to the present: The Hong Kong negotiations are still in the preliminary stage. The apparel industry considers it important that the total imports of each category in the

future be no greater than they were in the immediate past. This means that in some instances the Hong Kong rollback by category will have to exceed 30 percent to compensate for the difference between Japan's annual shipments and their new quota.

The 1962 Japanese quota on brassieres was increased 33½ percent. The quota on men's and women's shorts and trousers will be 66½ percent higher than the 1960 quota. The so-called basket provision—other woven apparel—is increased approximately 66 percent. (Attached are tables showing the increases in quotas to Japan since 1957 to date, plus comparisons of Japanese demands and U.S. concessions in the 1962 agreement.)

At the same time that the Hong Kong shipments are being rolled back, it is mandatory that a close check be placed on new emerging areas that are already imposing grave problems on the apparel-textile-fiber industry. Examples of these areas are Jamaica, Taiwan, Spain, and Portugal.

The result of all the many activities to date fails to give the apparel-textile industry any relief. On the contrary, further increases in imports appear inevitable. This situation cannot be harmonized, in our opinion, with the President's intentions as outlined by him to leaders of the apparel-textile industry at the White House Conference on May 2, 1961.

Naturally, we hope, as we are sure you do too, that before the Reciprocal Trade Agreements Act comes up for renewal next year this course will be reversed and the industry can look forward with some confidence to bona fide relief from the flood of imports.

The Geneva Arrangement and the Japanese Agreement were in the CONGRESSIONAL RECORD. If you want extra copies of these documents we are pleased to supply them or any other material that will be of use to you. During the congressional recess you may find occasion to use some of this material in speeches or press interviews.

Sincerely yours,
LAWRENCE S. PHILLIPS, Chairman.

Items	Unit	Original quota	Revised quota, 1957	Revised quota, 1959	Revised quota, 1961	U.S. proposal, Aug. 22	Japanese proposal, Sept. 1	U.S. proposal, Sept. 3	Japanese proposal, Sept. 4	U.S. proposal, Sept. 6
Group I:										
Cotton cloth.....	1,000 square yards.....	113,000	102,000	113,000	117,000	123,000	-----	123,000	130,000	125,500
Ginghams.....	do.....	35,000	35,000	40,000	44,000	44,000	50,000	44,000	48,000	46,200
Velveteens.....	do.....	2,500	2,500	2,500	2,500	2,625	3,500	2,625	3,500	2,750
All other fabrics.....	do.....	75,500	64,500	70,500	70,500	76,375	-----	76,375	78,500	76,500
(Combed yarn fabrics) 1.....	do.....	1 (26,000)	1 (26,000)	1 (30,000)	1 (30,000)	1 (31,500)	1 (40,000)	1 (31,500)	1 (39,000)	1 (33,000)
Sheeting.....	do.....	50,000	50,000	50,000	50,000	50,000	30,000	30,000	30,000	30,000
Shirting, 80 by 80.....	do.....	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Other shirting.....	do.....	43,000	43,000	43,000	43,000	43,000	32,000	43,000	32,000	32,000
Twill and sateen.....	do.....	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000	39,000
Poplin.....	do.....	25,000	25,000	25,000	25,000	25,000	45,000	25,000	35,000	30,000
Yarn dyed fabrics.....	do.....	24,000	24,000	24,000	24,000	24,000	35,000	24,000	34,000	29,000
Typewriter ribbon, cloth.....	do.....	-----	-----	-----	-----	100	-----	100	-----	-----
Other fabrics.....	do.....	44,000	44,000	44,000	44,000	44,000	-----	44,000	-----	-----
Group II:										
Made up goods.....	do.....	30,000	33,000	33,000	33,000	35,000	-----	35,000	35,000	35,000
Pillowcases.....	1,000 dozen.....	400	400	400	400	420	450	420	450	450
Dish towels.....	do.....	800	800	800	800	945	(2) 840	840	840	840
Other towels.....	do.....	(2) 1,200	(2) 1,200	(2) 1,200	(2) 1,200	1,260	(2) 1,500-2,000	1,260	1 (1,500)	1 (1,200)
Handkerchiefs.....	do.....	10,833	10,833	10,833	10,833	11,375	11,375-14,000	11,375	1 (11,375)	1 (11,375)
Table damask.....	1,000 square yards.....	(2) 1,875	(2) 2,527	(2) 2,527	(2) 2,527	1,388	74,775	2,730	5,573	5,573
Sheets.....	1,000 pounds.....	-----	-----	-----	-----	-----	-----	-----	-----	-----
Group III:										
Woven apparel.....	Square yard.....	71,000	78,100	78,100	81,700	86,000	-----	86,000	106,000	89,500
Blouses.....	1,000 dozen.....	1,500	1,500	1,500	1,500	1,575	1,800	1,575	1,800	1,575
Sport shirts.....	do.....	750	750	750	750	787.5	900	787.5	900	787.5
Dress and work shirts.....	do.....	300	217	300	300	315	-----	315	1 (400)	1 (315)
Brassieres, etc.....	do.....	600	600	600	600	630	630-1,000	630	1 (800)	1 (800)
Men's shorts and trousers.....	do.....	600	600	600	800	285	1,800	285	1,300	300
Women's shorts and trousers.....	do.....	(2) 600	(2) 600	(2) 600	(2) 515	45	-----	45	(100)	1 (45)
Raincoats.....	do.....	(2) 60	(2) 60	(2) 60	(2) 62	75	-----	64	(2)	1 (64)
Dressing gowns, etc.....	do.....	(2) 60	(2) 60	(2) 60	(2) 75	-----	1 (93)	(2)	(2)	1 (93)
Cotton coats.....	do.....	(2) 60	(2) 60	(2) 60	(2) 32.5	-----	1 (123)	(2)	(2)	(2)
Nightwear and pajamas.....	do.....	(2) 60	(2) 60	(2) 60	(2) 65	-----	1 (70)	(2)	(2)	(2)
Dresses.....	do.....	(2) 60	(2) 60	(2) 60	(2) 91	-----	1 (118)	(2)	(2)	(2)
Playsuits.....	do.....	(2) 60	(2) 60	(2) 60	(2) 223	-----	(2) 3,069	(2) 7,542	(2) 6,425	(2) 6,425
Other woven apparel.....	1,000 pounds.....	2,321	4,263	3,864	3,864	-----	-----	-----	-----	-----
"Other other".....	do.....	-----	-----	-----	-----	(2) 223	-----	1 (950)	-----	-----
Group IV:										
Knit goods.....	1,000 square yards.....	12,000	12,000	13,200	13,200	14,000	-----	14,000	18,500	14,000
T-shirts, white, men's and boys.....	1,000 dozen.....	500	300	500	500	525	-----	525	525	525 (2)
Other T-shirts.....	do.....	(2) 118	(2) 118	(2) 118	(2) 118	-----	1 (147)	(2) 1 (147)	(2) 1 (147)	(2) 1 (147)
Sweaters and cardigans.....	do.....	(2) 21	(2) 21	(2) 21	(2) 21	-----	1 (27.2)	(2) 1 (27.2)	(2) 1 (27.2)	(2) 1 (27.2)
Knit shirts, other.....	do.....	(2) 705	(2) 705	(2) 705	(2) 705	-----	809	(2) 809	(2) 809	(2) 809
Gloves and mittens (work).....	do.....	450	450	450	450	472.5	550	472.5	550	472.5
Other knit goods.....	1,000 pounds.....	1,477	1,792	1,738	1,738	18	4,000	582	2,774	583
"Other other".....	do.....	-----	-----	-----	-----	-----	1 (294)	-----	1 (294)	-----
Group V:										
-----	1,000 square yards.....	9,000	9,900	9,900	9,900	10,000	-----	10,000	10,000	10,000
Total, all groups.....	do.....	235,000	235,000	247,200	254,800	268,000	-----	268,000	299,500	274,000

1 () "Below the line."

2 Included in group II, "Other items."

3 "Other made-up goods" includes apparel.

4 Included in group II, "Other items" ceiling.

5 Included in "Other woven apparel."

6 Included; no figure.

7 Included in "Other knit goods."

Mr. HEMPHILL. A short while ago in my remarks I was directing attention to what was happening to a part of the narrow fabrics industry which has a plant in my district. I have since received a letter from another plant of that particular industry, which I ask consent, Mr. Speaker, to include at this point in my remarks, a letter from the Caledonian Dye Works of Philadelphia, Pa., in which Mr. Fitch says that in the year 1960 the Japanese had a voluntary quota of 300,000 pounds of zipper tapes that were allowed to be exported to this country. Then for the year 1961 the Japanese unilaterally raised this so-called quota to 900,000 pounds, an increase of 200 percent. It

shows exactly what I am pointing out, that when they get ready to zero in on an industry they can do so.

This particular letter goes on to reflect the problem, and it is my considered opinion that unless something is done this particular plant will close and those particular workers who are not in my area, but they are my friends because they are Americans, will be out of jobs.

Mr. Speaker, I ask unanimous consent to insert the letter in full at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The letter referred to follows:

CALEDONIAN DYE WORKS,
Philadelphia, Pa., November 13, 1961.
Hon. ROBERT W. HEMPHILL,
U.S. House of Representatives,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN HEMPHILL: I would like to bring to your attention the abundance of Japanese zipper tapes that are coming into this country and solicit your aid and advice as what may be done to eliminate or alleviate this condition.

The year 1960, the Japanese had a voluntary quota of 300,000 pounds of zipper tapes that were allowed to be exported to this country. Then for the year 1961 the Japanese unilaterally raised this so-called quota

to 900,000 pounds; 300,000 pounds is quite a lot of zipper tape to send into this country and with the volume going to 900,000 pounds the zipper tape manufacturers, who are located mostly in Pennsylvania, are definitely being hurt. When the zipper tape manufacturers produce less tape for domestic consumption then it means that the dyeing firms also suffer because there is less tape that has to be dyed. I know of two possible solutions to the problem:

1. Raise the duty on zipper tape from 17½ percent to 50 percent as finished zippers are now taxed. This would give the zipper tape the same status as the finished zipper and would tend to solve the problem, as very few finished zippers are imported into this country.

2. Require the Japanese to bring their quota back to 300,000 pounds of zipper tape from 900,000 pounds they have established. I cannot see what good a voluntary quota is, if one party to the agreement can unilaterally raise the quota threefold.

Undoubtedly you will be able to offer other solutions. I earnestly solicit your help on this very grave problem and would greatly appreciate any suggestions that you would care to give.

Sincerely,

WILLIAM M. FITCH, *President.*

Mr. WHITENER. Mr. Speaker, will the gentleman yield?

Mr. HEMPHILL. I yield.

Mr. WHITENER. I again congratulate my neighbor and colleague, the gentleman from South Carolina, for his continuing effort on behalf of the people who earn their livelihood in American industry and particularly in the staggering textile industry, staggered because of the inordinate amount of imports of textiles from foreign countries.

I was interested to read in the Wall Street Journal of today, Wednesday, January 24, an article entitled "Protectionism's Power."

One paragraph in that article which struck me reads as follows:

Whatever the U.S. Chamber—

That is referring to the U.S. Chamber of Commerce—

may say nationally, member industries which claim injury from foreign imports—textiles, glass, plywood, minerals, pottery, footwear, and many more—will demand tariff protection from their Congressmen. No matter what the staff economists of the AFL-CIO may argue, the member unions representing these same industries side with employers in opposing tariff cuts.

So, I think it is commendable that both labor and management are together in this fight to preserve American jobs in the textile industry and in other industries.

I likewise think it is a splendid thing that some of the outstanding industrial statesmen are not being carried away by the mutterings of those who seem to control the policies of the U.S. Chamber of Commerce. But, I do regret that this article which we read is so typical throughout its content of the type of writing that we see by those who would continue to give away American jobs to foreigners, in that in this article, as in so many others, there is a constant needling of those who oppose attempts to do away with domestic industry. For instance, take the state-

ment which I have just read that these people in these injured industries will "demand tariff protection from their Congressmen." Well, I am sure that the gentleman from South Carolina will agree with me that it requires no demands from anyone upon the gentleman from South Carolina or upon any other Member of Congress, because we, too, are Americans and we, too, are motivated by the same desire which should motivate all good Americans to protect the economic welfare of this country of ours and every single solitary citizen, including those who denominate themselves as freetraders—those people who want to look down their noses and point out some of us and refer to us as protectionists.

I do not mean to take up too much of the gentleman's time. I commend the gentleman, and I would like to say one other thing. It seems unfortunate that in our country there are many who will point to the success of our domestic industry in certain periods as an argument that it should be weakened in favor of foreign competition. This country of ours did not become the leading economic government or country in the world by tearing down every advance that was made. Unless this philosophy that seems to be so paramount—and, as the gentleman has well indicated, so prevalent in our State Department—unless this philosophy is destroyed, then I wonder what will happen to the economic phase of our American life. After all, these things which we do here and these things which so many people in industry and in labor demand require that there be taxpayers to foot the bills.

Mr. Speaker, in order for a corporate interest to be a taxpayer it must make a profit. Therefore I wonder just how this country can continue to grow in service to its own people—this Government of ours—in occupying a position of leadership in the world, unless others who would decry the fact that some of us want to protect America join up with us and help us to protect America.

Mr. Speaker, if I am a protectionist, and if that is something bad because I believe we should preserve every possible American job, then I will gladly carry the banner and the opprobrium which they seem to feel that they are casting upon me by referring to me as a protectionist.

Mr. HEMPHILL. I thank the gentleman.

Mr. Speaker, I might say that I agree thoroughly with the gentleman from North Carolina [Mr. WHITENER]. As the gentleman well knows, nobody has to demand anything from us because we live in the textile area. Our friends are in the textile business, and are working there, and it is to them that we owe the highest obligation—to men from those areas.

Mr. Speaker, insofar as name calling is concerned, every week, if you are a real American today, you will be called a lot of names. I have been called a lot of names—an isolationist and a protectionist and different other things. It is

a common thing to call names. Of course, most of the name callers do not say it to our face.

Mr. Speaker, down in our part of the country we do not accept certain things, but I will stand all of the name calling and everything else, because a thought occurs to me, when I look up at the flagpole, "there is an American flag flying over the textile mills." When the Japanese looks up on the flagpole he sees the Japanese flag, and he owes no allegiance to the American flag and he owes no allegiance to the American people. You and I do.

Mr. Speaker, those people down in the State Department owe this same allegiance, and if they think they can get far enough from reality to betray this Nation on down the road and not be called to the "quilt," they have got another think coming. Some of us are going to keep talking here, and keep advising the American public as to what is taking place until we are either beaten or carried out of here dead, because it is that serious to us.

Mr. Speaker, it is a heartbreaking thing to see people out of work and see the loss of dignity and see people suffering and see people hungry. I remember the depression, and I do not want to see another one. While the miseries of those hardships may have been good for some of us, when I think back on them it is heartrending to think of people who were unemployed in the winter and who were hungry in the summer and had nothing to look forward to. It can happen again.

Perhaps they think they can write the textile industry off, but I am telling them today they cannot do it. Someday there is going to be a reckoning, and I hope God in heaven will permit me to be present. Certainly, so far the policies have been detrimental to the best interest of those Americans engaged in the textile industry as workers, investors, or people dependent upon that industry for their economic well-being they are concerned.

Last year when this program was implemented to the extent that relief was promised in the way of depreciation, the textile industry and its leaders did want to hold that ray of hope.

Mr. Speaker, I have here some articles about that which I would like to insert, because I am making a record here in addition to making a speech. I ask unanimous consent to include in my remarks two articles at this point, one from the Evening Herald of November 25, 1961, and another one from the Gaffney Ledger of November 9, 1961.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The articles referred to follow:

[From the Evening Herald, Nov. 22, 1961]
ORDER TO STUDY COTTON IMPORT DUTIES GIVES
TEXTILISTS HOPE

American textile industries yesterday gained hope of relief from flooding of American markets with imported cotton goods with an order from President Kennedy to the U.S. Tariff Commission to study the application of duties on imports of such goods.

Kennedy's study proposal is aimed at determining whether the cotton content of foreign made cotton goods should be taxed at the same rate—8½ cents per pound—as the Government subsidy on exported cotton.

R. Dave Hall of Belmont, N.C., president of American Cotton Manufacturers Institute, said the proposed tariff would be "a logical procedure for dealing with the problem created by legal requirements that U.S. mills must pay substantially more for cotton * * * than our foreign competitors."

The Government now pays American cotton growers an 8½-cent subsidy on each pound of cotton sold to foreign countries, thus allowing them to compete in the world market.

South Carolina's U.S. Senator OLIN D. JOHNSTON, commenting on the President's proposal, said, "I have been in touch with various members of the President's Cabinet-level Textile Advisory Committee, as well as the White House, on the need for relief to the American textile industry, and I am convinced the President's request is another move in the right direction."

South Carolina Gov. Ernest Hollings, who with JOHNSTON conferred Tuesday with White House aides, also said he felt the President's action was a step in the right direction.

Domestic textile manufacturers have complained that they face strong competition from textiles manufactured overseas from U.S. cotton sold there at prices lower than the domestic companies pay in this country.

Hall, from his ACMI headquarters in Charlotte, N.C., said yesterday that "the industry will watch developments in the case with great interest and, of course, will lend its full support in the interest of an early and successful action."

"Such action would not affect the price our farmers get for their cotton," Hall said. "It would not increase the taxpayer's burden. In fact, it would yield to our Government income that could be used to help pay for the export program."

Hall said the adoption of such a fee would serve as a restraining influence on imports of those cotton products in which cotton costs are the major part of total manufacturing costs, such as yarn and unfinished coarse fabrics, which made up about one third of the cotton product imports in 1960.

"Inasmuch as the disparity in cotton costs between American and foreign mills was increased by our Government's action from 6 to 8½ cents a pound on August 1," Hall said, "the need for offsetting the additional disadvantage to U.S. mills has intensified and merits expeditious correction."

A report on the Commission's findings was asked as soon as practicable by Kennedy. Myer Feldman, a Presidential assistant, said imports of cotton products have tripled in the past 5 years. A continuation of this trend "could lead to serious problems," the Agriculture Department has told the President.

"Cotton goods are coming into this country," said Feldman, "to such an extent at the present as to reduce the amount of products processed from cotton domestically. When less domestic cotton is used," he explained, "more cotton must go under price supports."

Hollings, who conferred Tuesday with Feldman at the White House, said "We've been working several weeks to get this letter (request for the study) from the White House to the Tariff Commission."

[From the Gaffney Ledger, Nov. 9, 1961]

TEXTILE INDUSTRY PLEASED BUT DEMANDS MORE ACTION

NEW YORK.—President John Kennedy's action to cut the depreciation schedule of textile machinery from 25 to 15 and 12 years was received with enthusiasm and a demand for more action in behalf of the industry,

according to a survey by Textile World, McGraw-Hill publication.

Some respondents saw the new rules as only a first step in the fulfillment of President Kennedy's seven-point program announced last May and a sure sign that his other promises would soon be fulfilled.

Others felt the new write-off schedule did not go far enough—the write-off time should be shorter. A small majority felt it would do no good at all until and unless the Government acts promptly in other directions as well—a curb on textile imports and an adjustment in the cotton-export subsidy.

Mostly, though, reaction was favorable—even enthusiastic in some quarters, says the publication.

The vast majority of respondents saw a bright, solid future ahead—a stronger and more stable textile industry, more and faster technological breakthroughs and a better break for the textile industry's customers.

"The more realistic depreciation schedules are a move in the right direction. They narrow the advantage of foreign competitors, who have enjoyed substantially more generous depreciation allowances. Progressive textile manufacturers will be encouraged to increase their equipment purchases and thereby increase their efficiency," W. J. Erwin, president of Dan River Mills, told the magazine.

R. D. Sanders, executive vice president and treasurer, Morgan Mills, Inc., said: "Until the textile industry receives concrete action on the other points in the seven-point program, many companies will have serious problems to make enough profit to cover the accelerated depreciation to make a better cash flow."

J. Burton Frierson, president, Dixie Merchandizing, declared: "Recognition by the Treasury Department that the schedule for useful life of textile machinery is antiquated is most heartening and long overdue. This action will encourage and strengthen our whole economy of the size of textile employment and the broad effect of textile expenditures."

Mr. HEMPHILL. Mr. Speaker, these articles go on to say that they were happy with the depreciation, they were happy to see themselves being considered, but they said that is not enough. Mr. Speaker, that is not enough. That is not enough when they can come in, as we pointed out a while ago, and zero in on a part of the industry and while these various studies are being made—the textile industry—and I commend them for it in making every effort to get the information out.

Mr. Speaker, I have here an article, under date of November 27, 1961, which sets forth the problems, the difficulties, insofar as the woolen and worsted industries are concerned.

Mr. Speaker, I ask unanimous consent to include that article in my remarks at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The article referred to follows:

VIEWS OF THE WOOLEN AND WORSTED INDUSTRY ON A PROGRAM FOR IMPORT LIMITATIONS

1. PURPOSE

The purpose of the program for import limitations is to provide a comprehensive system of limitations on imports of wool textile manufactures into the United States from all sources. Tariff rates would be maintained at not less than current levels. Such

a quota system should cover all wool textiles and the products thereof and be divided by categories and countries. The total amount and the amounts for each country should be such that confidence in the industry can be restored, employment maintained, and investment increased. Such a system should be reasonably permanent to provide stability and if not established unilaterally by the United States should be so arranged that the United States can and will administer and enforce any international program.

The wool textile branch of the textile industry believes that the problem of imports of textile manufactures and apparel can be handled most effectively on an industrywide basis and urges the method of handling the problem be on a long-term basis.

Because a short-term arrangement has already been made for cotton textiles, the wool textile manufacturers urge our Government to address itself expeditiously to the import problems of the wool, manmade fiber, and silk branches of the industry. Experience has shown that limitations imposed in a piecemeal manner such as on a single country or a single fiber product tend to accelerate exports from other countries or exports of textiles made from other fibers.

2. COVERAGE

A program should cover all wool textiles from top and other further advanced manufactures including yarn, fabrics, woven and pressed felt, made-up goods, apparel, and all other wool products containing 17 percent or more of wool fibers by weight. Wool fibers include wool and similar hair whether or not reprocessed or reused.

3. CATEGORIES

Categories in each type of wool textile manufactures are essential to any system of quotas. Without an adequate number and description of categories, imports will concentrate in particular types of goods and force domestic mills and plants making such items out of business, or force them into other lines creating domestic overproduction, losses, and eventual unemployment.

A list of categories covering top, yarn, cloth, and certain products will be prepared. It is suggested that representatives of the apparel and knit branches of the industry prepare lists of categories.

4. COUNTRIES

Quotas should be established on total imports into the United States. Italy, Japan, and England are the principal exporters of wool fabrics and apparel, but in 1960 other countries accounted for 25 percent of imports of such goods, an increase of 164 percent since 1958. Among these other sources, Hong Kong, as well as West Germany are substantial exporters of apparel and West Germany and Czechoslovakia are the principal exporters of felt. Belgium and other countries export substantial amounts of yarn. Top comes principally from Uruguay and the United Kingdom.

It is, therefore, essential that any system of import or export limitations cover all these sources and potential sources of supply.

5. TOTAL AMOUNT

The total of imports of wool textile manufactures from all sources should be viewed in the light of the serious conditions which have existed and continue to exist in this branch of the industry. The woolen and worsted industry has been going through a period of serious readjustment since 1947 which has involved the liquidation of 314 mills and a loss of employment of over 100,000 workers. Over 50 percent of the productive capacity and jobs in the United States have been lost during a period when the woolen and worsted industries of all other countries have increased consumption of wool by 50 percent.

During this period imports have been rising rapidly, having increased by 327 percent since 1948. In 1960, imports amounted to over 15 percent of domestic production of woolen and worsted broadwoven fabrics. This is a much higher proportion of domestic production than is the case in cotton and manmade fiber textiles.

It is clear that a substantial rollback in total imports of wool textile manufactures is justified. The Geneva reservation of 1948 contemplated a level of imports of cloth of 5 percent of domestic production. Five percent of current domestic production of woven fabric and knitting yarns would amount to the equivalent of approximately 33 million square yards.¹ When the United States moved to restrict imports in 1956 by using the Geneva reservation, imports, not including rugs and carpets, amounted to 60 million square yards. Imports of 111 million square yards¹ in 1960 constituted an all-time high. Imports in fiscal 1961 are estimated at 89 million square yards,¹ and imports averaged 68 million square yards for 1955-60. Broadwoven fabric has constituted from 52 to 73 percent of total imports during these periods.

From the point of view of employment and investment in the industry, therefore, the amount of imports should be limited to a total not in excess of the amount imported during the year that the United States activated the Geneva reservation, or the equivalent of 56 million square yards.

6. DURATION OF PROGRAM

The program should be of long range and of at least 5 years' duration. The total amount and the category ceilings should not be changed unless domestic production increases or decreases by a minimum amount, such as 5 percent, in which case quotas may be automatically adjusted, upward or downward, by the same percentage.

7. TRANSHIPMENT, SUBSTITUTION, AND EVASION

Transshipment, substitution, and evasion create serious problems and must be met.

There should be firm provisions against transshipment and evasion applicable to exported goods not only in the original state but in subsequently processed or manufactured form. It should also be provided that the United States can and will act unilaterally to prevent transshipment and evasion by holding goods at the port of entry when necessary.

Specific provisions should also be made to prevent the substitution of textile manufactures made from other fibers.

Mr. HEMPHILL. Mr. Speaker, I also have here the status report issued by the American Cotton Manufacturers' Institute of last year. It treats with special things which I shall not dwell upon, but I think the public should have it in the CONGRESSIONAL RECORD as it affects textiles and the national security.

Mr. Speaker, we do not think of textiles as being very important in the national defense. However, if we think back in history we find that when Napoleon went to Moscow his troops were so cold they could not fight. He did not have the textiles to clothe his troops. That was one of the causes for his defeat by the Russians. You know something? History can repeat itself. I suppose, aside from those people who are making profits overseas at the expense of American textile workers and those misguided people uptown in the State Department, that the Communists are most happy

about our textile difficulties, because they know the picture, and they are not suffering.

Mr. Speaker, I ask unanimous consent to include with my remarks at this point in the Record this article entitled "Textiles and the National Security."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The article referred to follows:

TEXTILES AND THE NATIONAL SECURITY

On October 16, 1961, the American textile-fiber-apparel industry completed the presentation of its case before the Office of Emergency Planning (formerly OEDM). The industry asked the executive agency to make a formal finding that textile imports threaten to impair the Nation's security.

The case was initiated on May 15, less than 2 weeks after President Kennedy announced a seven-point program of assistance to the industry in which he said:

"An application . . . for action under existing statutes, such as the escape clause or the national security provision of the Trade Agreements Extension Act, will be carefully considered on its merits."

Subsequently, the agency, then known as the Office of Civil and Defense Mobilization, undertook an investigation of the effect of imports on the national security as requested by the industry.

On July 31, in compliance with a timetable prescribed by law, the industry presented extensive documentation of the impairment of the national security by textile imports.

The industry offered proof:

"That imports of textiles are entering the United States in such quantities as (1) to impair the ability of the domestic industry to meet military and essential civilian needs in an emergency, and (2) to weaken the textile industry to an extent inconsistent with the national security interest in a strong internal economy."

It now remains for the Director of the OEP to examine all of the evidence adduced by the industry and his staff and report to the President his conclusion.

It is generally recognized that the Congress, from the inception of legislation empowering the President to enter into agreements for the promotion of world trade, intended to provide safeguards for American industries against injurious imports.

This was the purpose of the "escape clause," the language providing the legal procedures by which a domestic industry could "escape" from the impact of certain trade arrangements under certain conditions.

The textile industry, with its multiple fibers and hundred of fabric constructions along with thousands of end products, learned from experience that the escape clause is an inadequate device for achieving the relief from import harm intended by Congress.

The purpose of the national security clause was to provide the machinery by which the President can prevent imports, notwithstanding agreements entered into previously, from threatening to impair the Nation's military and economic strength.

And the Congress, in extending the Trade Agreements Act for 4 years in 1958, underscored this purpose by adopting an amendment intended to strengthen the national security provision.

The amendment, the Senate Finance Committee reported, would make action possible "whenever danger to our national security results from a weakening of segments of the economy through injury to any industry,

whether vital to the direct defense or a part of the economy providing employment and sustenance to individuals or localities."

Invoking this public policy the textile industry provided the Office of Emergency Planning with proof that textile imports have reached such a level as to threaten the American textile-fiber-apparel industry's ability to meet military requirements in an emergency and, at the same time, have caused economic losses which are translated in an impairment of the Nation's internal economy.

Now, the Director of OEP is faced with a decision on the textile-fiber-apparel industry case. Under the intent of Congress he may not weigh foreign policy alternatives; he may not speculate about theoretical escape clause actions; he may not concern himself with the problems of foreign textile manufacturers or the development of the economies of other nations.

The law is clear: he is empowered only to determine whether textile imports constitute a threat to this Nation's security because of impairment of the American textile industry's ability to meet defense needs in time of emergency and to contribute to this Nation's economic vigor.

Neither does the law give the Director of OEP the responsibility to recommend remedial action; this responsibility rests only with the President.

A finding by the OEP as requested by the industry will bestow on the Chief Executive the power to determine what action must be taken to remove the threat to the Nation's security.

There is no time limit prescribed by Congress for the Director of OEP to make his finding. However, the President indicated at the outset of his administration that he shared the industry's view that the problem merited an urgent solution. A sense of urgency still prevails.

NEGOTIATIONS ON INTERNATIONAL TEXTILE TRADE

On October 1, 1961, an agreement regulating trade in cotton textiles among 16 nations in the free world became operative on a 1-year basis. On October 23 representatives of these same countries reassembled at Geneva, Switzerland, to organize a long-term arrangement.

Besides the United States, which called the original conference to implement point 6 of President Kennedy's program for the American textile industry, participants in the agreement include:

Australia, Austria, Canada, India, Japan, Pakistan, Portugal, Spain, Sweden, United Kingdom (also representing Hong Kong), and five members of the European Economic Community—Belgium, France, West Germany, Italy, and the Netherlands.

U.S. interests are represented at the International Conference by the Provisional Cotton Textile Committee of the General Agreement on Tariffs and Trade (GATT). While the chairmanship rests in the hands of a designee of the Department of State, its membership includes representatives of the Departments of Commerce and Labor.

The U.S. negotiators have access to on-the-spot advice from a panel of representatives of the U.S. textile-apparel industry and labor organizations. These individuals were drawn from a Management-Labor Textile Advisory Committee established by the Secretary of Commerce at the direction of the President.

As a result of the original conference in July 1961, the participating nations reached an agreement containing these features:

1. Countries, primarily European, which have been restricting imports from such low-wage nations as Japan, Hong Kong, India, and Pakistan will increase their imports from these sources by an agreed-upon percentage of domestic production;

¹Equivalent: All items converted to a square yard basis for purposes of comparison.

2. The low-wage countries, upon request, will limit their exports to the nonrestrictive nations, such as the United States and Canada.

3. Importing nations, such as the United States, will not request limitations below the import level which existed during the 12-month period which ended June 30, 1961;

4. If, during the life of the short-term agreement, shipments of cotton textiles cause or threaten disruption of an importing country's markets, the importing country may request the exporting nation to limit its shipments for any or all of the 64 categories on cotton products specified in the agreement;

5. And, if the exporting country fails to comply with the importing country's request for such export limitations within 30 days, the requesting country is authorized to take unilateral action to limit such imports.

The agreement has been pointed to by knowledgeable observers as significant in that it includes the market disruption principle as a form of trade restriction and represents a new departure in trade agreements. The principle reportedly was added to GATT's operating principles last year and, in effect, makes GATT the instrument for establishing quota arrangements.

To carry the rights and obligations of the United States under the agreement, the President directed the President's Cabinet Textile Advisory Committee to establish the Interagency Textile Administrative Committee (ITAC).

Chairmanship of ITAC will rest in the hands of an appointee of the Secretary of Commerce with other members to be designated by the Departments of State, Treasury, Agriculture, and Labor.

Any question of policy relating to the administration of the agreement can be considered by the Cabinet-level group at the request of any member of ITAC.

On the eve of resumption of the international parity the directors of the American Cotton Manufacturers Institute adopted a resolution spelling out six principles which they commended as necessary to the success of any multination agreement.

The principles:

1. All textile products, regardless of fiber content, should be covered;

2. A definite ceiling on textile imports into the United States should be set at a level substantially below that attained in the year ending June 30, 1961;

3. Recognition that growth of the American textile market is not created by overseas manufacturers and that they have no vested right to any part of it;

4. The United States should not enter into any separate bilateral arrangements which would increase the aggregate import ceiling;

5. Legal authority should be clearly established for the United States to act directly against nonparticipating as well as participating nations; and

6. A long-range agreement to be meaningful should cover a period of at least 10 years.

THE JAPANESE TEXTILE AGREEMENT

As a result of 3 weeks of negotiations in September in Tokyo, the Governments of the United States and Japan entered into an agreement for control of Japanese cotton textile exports to the United States in 1962.

The pact becomes effective on January 1, 1962, upon expiration of a 5-year arrangement launched in 1957.

Under its terms Japan will be required to hold its total shipment to cotton products—including apparel—to the United States under a ceiling of 275 million square yards. At the outset of the arrangement 5 years ago, the ceiling figure was 235 million square yards. And a 1959 revision called for a cell-

ing of 247.2 million square yards, which was upped again in 1961.

In essence, the new quota permits Japan to have a greater share of the U.S. market.

The new terms also provided for increases in Japanese shipments of velveteens and gingham—two fabric constructions in which serious concentrations and market disruptions already exist.

Additionally, the quotas on made-up goods—such as pillow cases, dish towels, etc.—knit goods, and apparel were boosted also.

The industry noted with regret that the U.S. negotiators conceded the overall increase to Japan in the light of these factors:

The U.S. market had shrunk to a lower level than that which prevailed at the time of the first control of Japanese shipments; and

Imports from other countries—notably Hong Kong—have skyrocketed in recent years.

Japan also insisted on breaking down its exports to the United States under only about half the number of categories which were established at Geneva for the short-term multination agreement in July 1961, thereby encouraging further excessive concentrations in the future.

It is the view of the leaders of the American industry that Japan no longer can be considered as a developing nation, but instead is the world's leading exporter of cotton goods and silk and silk products, and a foremost exporter of manmade fiber and manmade fiber textile products. Also she is rapidly expanding her wool textile product exports at the expense of the United States and other nations.

A reappraisal by our Government of Japan as a trading partner appears to be in order. Such is the industry recommendation to U.S. Government trade policymakers.

THE TWO-PRICE COTTON PROBLEM

Government policies and programs regarding cotton—production, marketing, pricing—have a great impact on the economic vigor of the American textile industry. This is because cotton is the chief fiber used by the American textile manufacturers.

Of prime importance are these factors:

1. U.S. spinners must rely on American-grown cotton for their operations; only a negligible amount of raw cotton is permitted to be imported;

2. National agricultural policy requires that the United States supply its historical share of the world market and, to meet world prices, an export subsidy must be paid;

3. Since August 1, 1961, the export subsidy has amounted to about \$42.50 a bale; this means that foreign mills acquire cotton at \$42.50 a bale less than that which must be paid by domestic mills.

4. The raw cotton cost differential in favor of overseas manufacturers is an additional advantage which stimulates their exports of cotton textile products to the United States.

U.S. TARIFF COMMISSION

On November 21 President Kennedy directed the Tariff Commission to undertake an investigation of cotton textile imports under section 22 of the Agricultural Adjustment Act. His action was based on a report by the Secretary of Agriculture to the effect that there is reason to believe that such imports are making ineffective or interfering materially with the Government's cotton programs and operations.

Hence, in keeping with provisions of the farm law, the President directed the Tariff Commission to make its investigation and finding in the light of two criteria:

1. The adverse impact caused by cotton textile imports on all Government programs affecting cotton or cotton products, includ-

ing acreage allotments, price supports, and the cotton export program.

2. The extent to which such imports reduce the amount of cotton or cotton products which are processed in the United States.

In other words, the Commission is directed to take into consideration virtually every aspect of the American cotton textile apparel industry operations. For example, the 1960 volume of imports of yarn, fabric, and apparel is calculated to have been equivalent to more than 1 billion yards.

Of this total, it is generally estimated that about one-third was in the form of yarn and coarse cloth constructions where cotton cost is a substantial portion of the total manufacturing cost. The remaining two-thirds, however, was in the form of apparel, other manufactured products, and finer cloth constructions where the wage cost factor is much more significant than the cotton cost factor.

Additionally, the Tariff Commission will be limited as to the remedy it can recommend to the President. The directive said the Commission should determine only whether the setting of an import fee on the cotton content of textile imports would prevent such imports from interfering with Government cotton programs or affecting adversely the processing of cotton and cotton products in the United States.

The amount of the fee (8½ cents per pound) under consideration is that equivalent to the rate of the subsidy on cotton exports by which U.S. cotton can be sold abroad at world prices.

Although the Department of Agriculture will bear the burden of pressing the case before the Tariff Commission, all segments of the raw cotton industry are expected to join the textile industry in offering evidence and proof on the issue.

THE TRADE AGREEMENTS ACT

Inasmuch as the industry has been directly concerned with negotiations of trade agreements with other nations, it is vitally interested in the laws under which such agreements are made.

R. Dave Hall, president of ACMI, said recently:

"We feel keenly our responsibility toward our workers, our communities, and our Nation's military and economic security.

"To discharge this responsibility fully, we feel the need to examine closely all proposals regarding trade legislation, particularly in the light of other Government activity, before expressing our views."

Present indications are that the President and his advisers are now formulating the administration's position with reference to the Trade Agreements Act which is scheduled to expire on June 30, 1962.

It appears that the administration is weighing several alternatives, including the following:

1. To seek an extension of the act with or without authority for the President to make additional tariff reductions;

2. To recommend that the law be allowed to expire; and

3. To offer a complete new program for dealing with trade restrictions or safeguards here and abroad.

In any event, the subject is likely to be considered by the House Ways and Means Committee to which a number of trade bills already have been referred.

Traditionally, a trade bill requested by the administration wins approval by this key committee. Generally, those Members of the House who seek changes in the administration's bill are required to make their effort during consideration of the bill by the entire House membership.

Such efforts must necessarily be made within the bounds prescribed by the rule adopted for consideration of the bill. The rule written by the House Rules Committee covers not only the time permitted for debate of a bill but also whether Members may offer amendments to it freely or under certain limitations.

House adoption of a trade bill opens the way for the Senate to take action in the field. The Senate Finance Committee has responsibility for preparing a bill for consideration on the Senate floor. It can make any revisions of the House version it chooses, for consideration by the Senate. And Senators, once the bill is called up for debate, are free to offer any amendments they wish.

In the event the Senate version of the bill is at variance with the House version, the House usually has an opportunity to accept the Senate version or refer the legislation to a Senate-House conference committee for a reconciliation of the differences. The conference report then is submitted to each arm of the Congress for a decision.

Under the circumstances it appears probable that any or all proposals regarding trade legislation will revolve about whatever program is sponsored by the administration.

However, even if the administration elects not to move in this area, critics of the Government's present foreign trade policies and practices would still be free to propose legislation which would then become the focal point for consideration of the subject by the Congress.

TEXTILE EXPORTS

For the last decade exporters of American cotton and synthetic textiles have been engaged in a grim struggle to preserve the industry's traditional position in international trade.

Shipments of cotton goods now are about one-third of what they were in 1947 when the industry exported a billion and a half square yards. The reasons for this sharp drop are many but the chief one stems from discriminatory restrictions first imposed in the far-off years of the so-called "dollar shortage" and still retained by 52 countries which literally prohibit the importation of cotton textiles from the United States.

In 22 other countries it is almost impossible to sell American textiles because of exorbitant tariffs and hidden taxes.

The industry has petitioned the Department of Commerce and other agencies to campaign for the removal of these artificial trade barriers which, strangely enough, are jealously guarded in countries which claim a vested interest in the American market.

At a recent meeting of the ACMI Board, it was unanimously voted that the industry urge Government agencies concerned to eliminate discriminatory restrictions responsible for the worldwide maldistribution of textiles, refuse to allot American foreign aid funds for the establishment of textile manufacturing facilities or procurement of textiles from foreign suppliers.

PUBLIC STAKE IN THE IMPORTS ISSUE

Organizations representing the Nation's textile-fiber-apparel industry have made and will continue to make a determined effort to inform the public of the seriousness of the foreign trade problem, both to the industry and to the U.S. economy.

The major news media have reported extensively on the development of the problem and the steps being taken toward a solution. Numerous speeches and reports have described the impact of textile imports on the industry and how this impact is felt by workers, suppliers, investors, and the general economy.

A color motion picture on the foreign trade issue has been produced for nation-

wide distribution to a wide variety of public audiences.

The industry earnestly believes that the interests of the Nation's security can best be served by policies and programs intent on keeping our basic and vital industries strong.

Mr. WHITENER. Mr. Speaker, will the gentleman yield at that point?

Mr. HEMPHILL. I would be happy to yield again to my distinguished friend from North Carolina.

Mr. WHITENER. Mr. Speaker, I appreciate the gentleman yielding. I am wondering if in his research he happened to read an address made by the Under Secretary of State George Ball to the Foreign Policy Association in late November of last year in New York in which he referred—without pointing out the textile industry, but we know that that is the industry to which he referred—that some of these, as he calls them, inefficient industries, will just have to fall by the wayside. That is my interpretation of what he said. I am wondering if the gentleman read that speech?

Mr. HEMPHILL. I read that, and I read it with great distress.

Mr. WHITENER. I might say to the gentleman that in connection with a tour of active duty that I had shortly thereafter as a military reserve officer I had occasion to be in a conference with a representative of the State Department now stationed with our NATO organization in Paris.

During that conference this representative of the State Department made almost identical statements to those made by Mr. Ball, at which time I corrected his statement and pointed out that I felt he was doing a great disservice to the textile industry when he referred to the industry in those terms.

That gentleman was not aware of the fact, as many people are not aware of the fact, that today in the textile industry of the United States 60 percent more production per man-hour is had than was had 10 years ago. That gentleman—and I am sure the same is true of Mr. Ball—would not know a comb from a lap machine or a picker from a twister. He would not know that throughout our section when you go into a textile plant today, the present technological advance is in the form of double-headed cards; we see high-speed drawing; we see spinning frames with a pound package as compared with a small bobbin in the days when I worked in the textile plants. We see automatic spooling and automatic cleaning. And just last week I read a story in the newspaper that some young engineer down at Albemarle, N.C., had actually developed an automatic sweeper.

I do not know where many of us who were raised in the textile industry sections would have gotten our start if it had not been for the opportunity to get jobs sweeping, when we were schoolboys. I feel that is an indication of the technological advance being made.

I think that we should point out here something which the gentleman from South Carolina [Mr. HEMPHILL] and I

have discussed on many occasions; and that is that the people who work in those textile plants, who are now producing 60 percent more per man-hour, have been burdened with the increased job loads that they have, and there is a limit to which a human being can go notwithstanding these technological advances. These folks here who would destroy this industry have no idea what they have already done to working conditions in many of these plants. And I think it is to the everlasting credit of the people who work in the plants that they, too, are aware of the competition that is so unfairly given to them for their jobs and their work. One of these days, instead of sitting in an ivory tower and making pontifical pronouncements, it is my hope that someone in our policymaking area in our Government will learn something about the practical, everyday problems confronting the people in those textile plants.

I am not talking about somebody who just lives in my district. I am talking about my own relatives and my own daily associates. I know that they are loyal Americans who are entitled to some consideration at the bargaining tables in Geneva but more particularly at the policy decision table here in Washington, D.C.

Mr. HEMPHILL. Mr. Speaker, I thank the gentleman and I want to say that anybody who says that the textile industry is inefficient is either stupid, misinformed, or deliberately lying. That industry is not inefficient. If it were not for the efficiency of the American industry we could not compete at all. We want a good standard of living. We want high wages for our people. They say that is good in America. On the other hand, they say that in one breath and in the other they say, "We are going to cater to those people who pay low wages."

The gentleman from North Carolina and I have talked about this matter. We have been to Hong Kong and seen some of these textile problems. We have seen this and discussed it in the Far East. We have seen in Hong Kong young ladies working for \$7 a week—things like that. They talk about inefficiency; the machinery that I saw overseas was American machinery.

You hear people talk about the inefficient machinery in these countries. I saw American machinery there. The best machinery was American machinery. And do you know who put that American machinery over there? It was the policymakers of the State Department who put that American machinery over there. They sold out our American workers. There is no other way to characterize it except to say that they just sold out the people who are in the textile industry in our country.

When we speak about protection—who is it that deserves protection? Is it the American who deserves protection or is it the foreigner who deserves protection? I do not like to speak of people as "foreigners" because it sounds as if one is saying something bad against them, and,

of course, I do not mean it that way. But, the allegiance of Mr. Ball and those who are getting their salary from the American people—at least I reckon that is where they are getting their pay from, and I hope that is where they are getting all of it—their allegiance is supposed to be to the American people from whom they are getting their salaries. Mr. Speaker, this is a very serious thing because I remember some of these mills—I remember one of them that closed and had received an E certificate during the war. I remember the E certificates that the textile people got and how the Defense Department was so quick in giving them that efficiency award saying how much they were doing for our economy.

Mr. WHITENER. Mr. Speaker, will the gentleman yield?

Mr. HEMPHILL. I am happy to yield to my colleague.

Mr. WHITENER. The gentleman has just touched upon another very vital point in this discussion. They talk about protectionism. Actually, those of us who are fighting to preserve the textile industry and the jobs of our people in the textile industry, it seems to me, can well feel that we are making a contribution to our national security. I am sure the gentleman realizes, if he had an opportunity during World War II to make visits back home, as I did while I was in the military service, that it was amazing to see in every vacant warehouse and in every vacant building or store building where anyone who could get hold of some twisting frames or any other type of textile machinery they would have it set up and running, producing yarn and cloth because of the great need in time of military conflict for accelerated production of textiles. Since World War II we are reliably informed that over 800 textile plants have closed in this country primarily because of this unfair foreign competition. I am wondering what would happen if unfortunately this country became involved in a military conflict again? Where would we go for our textiles? Where would we get the clothing for our people and for our military personnel? The gentleman knows, as does every American, that during World War II any person who was manufacturing nylon hosiery for ladies, for instance, had a terrible problem because all of his friends got mad at him because he would not parcel out a little bit of hosiery for their families. Today, we know that throughout our country the hosiery mills—that is, the full-fashioned hosiery mills—have fallen by the wayside, and you can buy such a mill now for the value of the machinery. This is the sort of thing we should think about, particularly in view of the apparent failures that we have had in recent years and with this business of giving away our country to win the friendship of people in other countries of the world.

Mr. HEMPHILL. I thank my colleague. The difficulty, as I see it, goes a little bit further than that. We have not bought any friends. You do not buy a friend. You just do not buy them—you can try, but you cannot do it. I do not want any friend that I had to buy and I

do not want anybody to think that they can buy me. Why our Government would think like that, I cannot understand. You know the textile people are not the only people who are suffering here. Go and ask the American watch-making people. I do not know how many companies are left now, but I do know there are mighty few of the watch-making companies left. Go and ask what happened to their industry. When you think about this in terms of our national security, you realize that at one time we could call on our watchmakers of a half-generation ago to use their skills and techniques for the purpose of our national defense. But now we have decimated that particular segment of our population so far as those skills are concerned. This is not only true of the watch industry, it is also true of the bicycle industry. If industry after industry goes by the boards, is it any wonder that we have such great unemployment? What has happened to all those people who are in the steel mills in certain areas of our country? I wish my friends were here from the coal producing areas of the country. You know we import all this oil into our country and, of course, that puts our coal miners out of work and they have to go on the relief rolls and, thus, they lose their security.

There is nothing worse than being out of a job, especially if you have a family. If you have never been sick and in the hospital, a low wage earner, keeping your family, and you did not have any income for that particular time, you know how happy you are when the doctor said to you: "I think we are going to get you out of here next week." It is the same way when you lose your job and cannot get another one, when the man in the plant says: "I think we are going to put you back on again in a couple of days."

But by the same token you know how you feel when the man says: "The plant is shut down," or when the doctor says: "I do not know just what the outcome is going to be." The family thinks it might be cancer. It is a horrible situation to be in.

We have heard something about the expendability of the textile industry. I have here a statement from a man by the name of Floyd W. Jefferson who is chairman of the board of the Iselin-Jefferson Co., Inc., and also chairman of the executive committee of the Dan River Mills, Inc. I do not know who he is. I would just commend him for sending me this little article. I think it is directly in point with what we are thinking today.

Mr. Speaker, I ask unanimous consent to include this statement at this point in my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The statement referred to follows:

IS THE TEXTILE INDUSTRY EXPENDABLE?

Our Government is apparently giving favorable consideration to financing additional textile installations in low labor cost countries thereby increasing textile imports into the United States.

President Kennedy advocates lowering of tariffs across the board.

The textile industry has been told that it must do everything possible to make itself competitive and increase its exports.

To make itself more competitive it would have to—

- (a) Run three shifts.
- (b) Spend money on rehabilitation and new equipment.
- (c) Take full advantage of automation.
- (d) Cut wages.

Here are the reasons it cannot be done—

(a) Textiles suffer from overproduction, and the flood of cheap imports accentuates this problem.

(b) Textile profits have dwindled, so that funds are not available for rehabilitation and expansion and there is no incentive to capital to take the risk.

(c) Labor reacts unfavorably to automation.

(d) To cut wages would bring on a general strike. Labor demands higher wages, shorter hours and more fringe benefits.

To make matters infinitely worse our Government sells cotton to foreign manufacturers at 8½ cents a pound lower than they will sell the same cotton to our mills. This cheap cotton is processed in countries where the labor costs are one-tenth to one-fourth of our standards and the product from 20 low labor cost countries has swept the markets of the world and is pouring into our own country in an inundating flood. And yet, Secretary Ball advocates increased imports and President Kennedy insists on lower tariffs.

It must be abundantly evident that the textile industry cannot endure unless it receives relief.

Under present conditions it cannot be competitive.

Under Secretary of State George W. Ball says:

"The problem is to find a way to shift American manpower as swiftly and painlessly as possible, out of the industries which cannot stand up to foreign competition into those which have stood the test."

Ponder these words.

When did it become the function of our Government to destroy a segment of American industry to please and appease foreign nations?

When did it become the function of our Government to shift manpower from one great industry to another; uproot families from their ancestral homes and move them to labor far from their communities in which they have become a part?

To apply Secretary Ball's formula to the American cotton textile industry, second only to steel in essentiality for defense, is preposterous, outrageous, and destructive. The Secretary would make the industry expendable.

The suggested switch of cotton mill labor to another industry is totally unnecessary because the U.S. Government can go far to make our cotton textile industry competitive by destroying the Frankenstein which the Government created when it adopted the inequitable and impractical two-price cotton system from which stems a great part of the trouble.

This ill-conceived legislation can be eliminated, and the President's proposed import fee is the logical solution. Foreign mills would still have the advantage of cheap labor.

The Government could take another step which would be of immense help to all American industry.

They could cut the redtape of the escape clause, and make it possible for manufacturers to get an early and just decision.

The procedure is now interminable. Out of many cases an inconsequential number have been decided in favor of the claimants.

If our Government would adopt measures to make the cotton textile industry competitive we would greatly expand our exports, save American labor, and put into the U.S. Treasury millions of dollars through collection of income taxes.

To make our country strong we must make our economy strong.

Mr. HEMPHILL. I want you to listen to this:

Our Government is apparently giving favorable consideration to financing additional textile installations in low labor cost countries thereby increasing textile imports into the United States.

Further down he makes a statement about Secretary Ball:

To apply Secretary Ball's formula to the American cotton textile industry, second only to steel in essentiality for defense, is preposterous, outrageous, and destructive. The Secretary would make the industry expendable.

When a person gets a big job in the Department downtown he sometimes loses a sense of balance, becomes impressed with his own power, forgets his obligations to the American people, because when you think about it it is just as was brought out in a conversation I had with some people the other day, the people who carry on Christianity, carry it on from person to person. The only obligation we have is person to person, people to people, American to American. That is the first obligation we have from the patriotic standpoint.

Finally, Mr. Speaker, I want to talk just a minute about the cotton textile offset import fee. I recently received a statement through the mail that showed that the price per bale of cotton at Memphis, Tenn., was about \$170. The same bale of cotton on the docks of Hong Kong was priced at \$120. We have to export our cotton because the U.S. Government is in the cotton buying business. It buys the cotton at an established price, stores it, and has a loan program which is an accepted thing. But what has happened is that the cotton we are shipping overseas is coming back here. They have a \$50 differential on each bale of cotton. They have a differential in the matter of wages of about 7 to 1; so, actually, you can put Japanese textiles on the dock in New York at 50 percent less than you can manufacture them for in this country, and the only thing that has kept us alive at all has been the efficiency of our production. The inefficiency of the operation abroad is the only thing that has kept us alive at all.

About a year and a half ago I brought some cloth samples back from Hong Kong with me. I wanted to make comparisons. I had a most difficult job to get those samples in, but all I wanted to do was to have my textile people look at them to see what kind of material it was. In each case the textiles were found to be inferior. But we recognize the fact that in these same mills with a little bit of improvement they can make some of the finest quality textiles that are made in this country.

I have talked with another gentleman from the Far East on this subject. He was most gracious to me. He said, as I

remember, that they handled about 40,000 bales. I am not sure of the number, but for the sake of argument let us say 4,000. Four thousand bales at \$50 amounts to \$200,000 right there. That is a windfall that the American does not get. The Japanese company is not paying any American taxes.

He did not have to support any of the American programs. If war came, the Japanese would not have to follow the American flag. He could sit by and let us fight his battle, like everybody else has let us do it throughout the 20th century. That is the way it was there. Well, I did not ask him what he could put his completed goods back on the docks at New York for. I think he shipped through San Francisco. But, I went to one plant where they bragged about the fact that they had a \$3 million order from an American concern. I could not tell you how many American jobs that \$3 million meant, but I know it meant \$3 million that was not going into the consumer demand in the United States.

Mr. Speaker, I conclude my remarks by asking unanimous consent to insert in the RECORD at this point a resolution adopted by the American Cotton Manufacturers Institute, Inc., December 12, 1961, because I believe in the cotton textile offset import fee as a possible avenue of help.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The resolution reads as follows:

RESOLUTION ON THE COTTON TEXTILE OFFSET IMPORT FEE

Under U.S. Government policies American cotton textile manufacturers have been required for several years to pay some 25 percent more for cotton than overseas mills pay.

The unfairness of the situation became aggravated as the cotton cost differential alone led to a sharp upsurge of certain categories of textile imports already stimulated by the lower cost advantage possessed by foreign manufacturers.

The disparity cries out for correction and the American industry is pleased by President John F. Kennedy's recognition of the inequity in directing the U.S. Tariff Commission to investigate the situation under the authority of section 22 of the Agricultural Adjustment Act.

Particularly significant and gratifying is the President's instruction to the Commission which provides adequate latitude for a complete investigation. The President has specifically suggested the desirability of an offset import fee on the cotton content of textile imports at a rate sufficient to balance the raw cotton cost differential of about \$42.50 per bale.

Such a fee would in no way interfere with overseas mills from continuing to buy cotton at lower prices. It would, however, deny them the competitive advantage they acquired not through their own efforts but as a result of our Government policies.

Disappointed and dismayed by the long delay since May 2 when the President called for action on this problem, the industry now looks forward to the public hearing in February 1962 and urges the U.S. Tariff Commission to expedite all phases of its investigation and deliberations and clear the way for the President to deal with the problem in accordance with long established public policy reflected in the Agricultural Adjustment Act.

Mr. HEMPHILL. Let me assure those who apparently do not have the interest of the textile people and the textile industry at heart that this fight is not over; that there are not going to be empty promises. We expect the promises to be fulfilled. We accepted them in good faith, and we demand that they be fulfilled. We demand that these people in the textile industry receive not only consideration but, if necessary, protection by this Government. These textile people are great Americans; I am proud of them; I intend to continue to champion their cause.

We need help. We deserve it.

DIRECT PEACE NEGOTIATIONS BETWEEN ISRAEL AND ARAB STATES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. FARBERSTEIN] is recognized for 15 minutes.

Mr. FARBERSTEIN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FARBERSTEIN. Mr. Speaker, within the last few weeks there have been reports that the Soviet Union has sent new arms shipments to Arab countries: planes, submarines, ships. At the same time, Arab leaders have renewed their threats to destroy Israel.

It is now 15 years since the United Nations first took up the Palestine question. During that period little progress has been made toward peace. The one great advance came in 1949, when the Arabs and Israelis met in direct negotiations at Rhodes under the auspices of United Nations Mediator Ralph Bunche. As a result armistice agreements were signed and Dr. Bunche was honored with the Nobel prize for his significant achievement. But in the ensuing days the Palestine Conciliation Commission accepted the Arab contention that they need not negotiate with Israel directly. That was a retreat. Since that day Arab leaders continue their threat to destroy Israel; and the Arab League countries persist in their efforts to strangle Israel's economy.

Our Government has been helping both Israel and the Arab States with economic assistance, but unfortunately, as long as the Arab-Israel war continues, economic progress will be disrupted in the Middle East, because of the diversion of huge sums for arms.

At the last session of the U.N. there was a proposal that Israel and the Arab States meet together in direct negotiation to settle outstanding problems, and in particular the problem of the Arab refugees. Unfortunately, that resolution, which was sponsored by 16 nations—African, Latin American, and European—failed to win the necessary majority, because the major powers did not support it.

Nevertheless, article 2, section 3, of the United Nations Charter clearly states

that "all members shall settle their international disputes by peaceful means," and article 3 declares that members must refrain from the threat or use of force against the territorial integrity or political independence of any member state.

The United Nations should be strengthened in efforts to uphold the charter and to summon its members to the peace table. The United Nations does not have the capacity to take such action unless it is reinforced by its loyal members. Our Government has always supported the Charter of the United Nations and it is the policy of the United States to strengthen that institution and to make it effective.

I regret very much, therefore, that our delegation failed to support the peace initiative when it was presented to the Assembly by 16 African, Latin American, and European nations. We have always favored direct negotiations in the settlement of all other major controversies in Asia and Africa, in Europe, and the Middle East. This has been our consistent position; and it would be most unfortunate if, as a result of a tactical vote, the impression should arise that we do not believe the Arabs and Israelis should meet together to settle their differences.

We must remain firm and vigorous in our support of all efforts to bring about an Arab-Israel settlement; and the most direct route to such a settlement is the peace conference, at which the parties sit as equals in face-to-face discussion.

This is the essential basis for any progress on any issue in the Middle East, be it refugees or disarmament. How can we get progress when one side refuses to talk to the other? How can we move forward when one side wants to destroy the other? Let them sit down and talk. Let them negotiate their differences. That is what the charter provides.

Accordingly, in my judgment, it is important that the House of Representatives make its position clear on this issue. Our Government must contribute its leadership to the promotion of direct negotiations between Israel and the Arab States in order to obtain peace and cooperation for all peoples of the region, and to that end I have introduced the following resolution calling for endorsement of that principle by the House of Representatives:

Whereas in recent weeks there has taken place a disturbing increase in warlike threats in the Middle East, accompanied by increased arms shipments to the area from the Soviet Union; and

Whereas continuing Arab-Israel conflict is a threat to the peace, menacing the security of all the peoples of the Middle East and disrupting their progress and development because of the wasteful diversion of their resources for armaments; and

Whereas article II, section 3 of the United Nations Charter provides that "all members shall settle their international disputes by peaceful means"; and

Whereas the United Nations should be strengthened in its efforts to uphold that provision of the United Nations Charter: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the U.S. delegation to the United Nations favor direct negotia-

tions between Israel and the Arab States as an indispensable condition toward the attainment of peace and cooperation and the settlement of all outstanding disputes between them.

THE NEED FOR A PERMANENT NAVAL HOSPITAL OF ADEQUATE CAPACITY AT LONG BEACH, CALIF.

Mr. CAHILL. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HOSMER] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HOSMER. Mr. Speaker, the naval base in the Los Angeles-Long Beach area has the third largest concentration of naval ships in the country, exceeded only by Norfolk, Va., and San Diego, Calif. Long Beach is now the home port for 121 units and it is planned to increase this in the near future by 13 destroyers and 3 cruisers. There are currently over 31,000 active duty personnel in ships homeported at Long Beach and 18,700 active duty personnel ashore of all armed services within a 30-mile radius of the proposed Long Beach hospital site. A total of 49,700 active duty personnel are in the area and the number will soon be increased.

Long Beach is the hub of the large military community, afloat and ashore, in the overall Los Angeles-Long Beach area. It is the only major concentration of personnel in the U.S. Navy without a nearby hospital. The overall minimum requirement for the area is the construction of a 750-bed hospital with a 1,000-bed chassis. A facility of this size would provide for expected expansion in the event of a national emergency and could accommodate active duty and retired personnel and dependents until called upon to fulfill its primary mission. Active duty personnel alone, during peacetime, require at least 500 to 600 beds. The 1,000-bed foundation would most economically facilitate future expansion of the armed services as well as provide for the rapidly increasing retired population in the Los Angeles-Long Beach area. Of the 116,000 paychecks mailed each month to retired naval personnel alone, 36,000 are mailed to California addresses. The next State, which is Florida, receives only 9,000. Many of the 36,000 are living in the Los Angeles-Long Beach area. Many others would like to live in the area but are discouraged from doing so by the lack of adequate medical facilities.

The urgent need for a hospital in the Los Angeles-Long Beach area is generally recognized; however, it is important that the facility be built of sufficient size to meet the local active duty requirements of 500 to 600 beds. Based on naval statistics for 1961, 13 beds are needed per 1,000 active duty personnel. On this basis the 49,700 active duty personnel of all services presently in the Los Angeles-Long Beach area would re-

quire 646 hospital beds. This figure will soon be increased to 737 beds for active duty personnel by the need to care for the 7,000 additional personnel arriving aboard the 13 destroyers and 3 cruisers to be home-ported at Long Beach.

It is pertinent to recognize that the former Long Beach Naval Hospital had 550 active duty military patients when it was taken from the Navy and transferred to the Veterans' Administration in 1950. There were then only 53 ships—less than half as many as now—based at Long Beach. Additional documentation supporting the current need of at least 500 beds is the fact that when the Naval Hospital Corona was ordered closed in 1957 there were 578 active duty military patients hospitalized there. The Long Beach based fleet has expanded considerably since then.

At the present time the Long Beach based hospital ship *Haven* is overage and its limited facilities are being severely taxed to meet the medical demands placed upon them. The *Haven* is badly in need of hull repairs which will require drydocking and will curtail her service as a hospital ship for a temporary period. This drydocking is a recurring necessity. Even with the *Haven* in an operational status, an average of more than 300 patients per month are being sent to hospitals at Camp Pendleton—80 miles—or San Diego—110 miles—from the Long Beach area. In addition to the overflow from the *Haven*, this long trip is needed to obtain specialist treatment not available in Long Beach. The lack of Navy medical specialists for emergency treatment of 49,700 active duty military personnel at Long Beach is a serious handicap. The transportation cost of sending many patients long distances is significant.

In carrying out its mission of supporting the fleet, it is a normal responsibility of a naval base to provide adequately for the care and hospitalization of the sick, injured, or wounded of the forces afloat. This responsibility can be carried out almost universally throughout the Naval Establishment but not so in the Los Angeles-Long Beach area. The naval base at Long Beach, supporting the third largest number of ships of the U.S. Navy based in one area, does not include a naval hospital. The following information on travel needed to reach other naval hospitals is of interest:

Naval base	Hospital located	Approximate miles from headquarters area
Boston, Mass.	Chelsea, Mass.	2
Newport, R.I.	Newport, R.I.	0
Portsmouth, N.H.	Portsmouth, N.H.	1
New York, Brooklyn, N.Y.	St. Albans, N.Y.	15-20
Philadelphia, Pa.	Philadelphia, Pa.	1
Norfolk, Va.	Portsmouth, Va.	4
Key West, Fla.	Key West, Fla.	5
Charleston, S.C.	Charleston, S.C.	0
San Diego, Calif.	San Diego, Calif.	2
San Francisco, Calif.	Oakland, Calif.	15-20
Bremerton, Wash.	Bremerton, Wash.	0
Pearl Harbor, Hawaii	Pearl Harbor, Hawaii	3

While there are no naval bases in the 8th or 9th Naval Districts a naval hospital is located at Corpus Christi, Tex., and Great Lakes, Ill., to serve the recognized needs of those areas.

With the mounting cost of medicare in civilian hospitals, it is believed that a Long Beach naval hospital of adequate size to handle dependents as in-patients would pay for itself in a few years. Based on information obtained from the Blue Cross office in Los Angeles, the average hospital cost to the Government for Armed Forces' dependents under medicare in the Greater Los Angeles area, since December 1960, has been \$414,000 per month. This is an increase from \$363,000 monthly only a year ago. In addition, the patients themselves paid \$83,000 monthly as their share of the hospital expense. These amounts do not include the current cost to the Government of approximately \$248,000 per month for doctors' fees under medicare. This latter sum is increasing rapidly as evidenced by the Blue Cross estimate of about \$145,000 monthly less than a year ago. In summary, about \$9 million per year is now being spent on medicare in the Greater Los Angeles area, and the sum is rapidly increasing. Sixty-five percent of the medicare costs in the area are incurred by Navy and Marine dependents. Much of the above cost could be saved to the Government if provisions for dependents' care were included in the facilities of the new naval hospital. A naval hospital in Long Beach would be of benefit to the Navy, Marine Corps, Army, and Air Force, all of which are without adequate medical facilities in the area.

It would appear wise to erect a hospital that could meet the current active-duty requirements of at least the 500 beds and could provide needed facilities for dependents and retired personnel. To meet all of these requirements it is recommended that a 750-bed hospital with the capacity for expansion to 1,000 beds be authorized. However, it should be emphasized that at least 500 to 600 beds are urgently required to accommodate active-duty military personnel in the Los Angeles-Long Beach area. A 500-bed hospital on a 1,000-bed chassis would be the barest minimum to meet present demands and provide reasonable capacity for expansion in the future.

It is in the interest of the Navy, the other military services, and the community to encourage a naval hospital at Long Beach.

OBSERVATIONS ON THE 1963 FEDERAL BUDGET PROGRAMS

Mr. CAHILL. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, early this week I had the opportunity of addressing the St. Louis Dental Society. At that time I spoke on

the budget which President Kennedy had offered, a juggled budget, not a balanced budget as advertised. I should like to place this speech in the Record for I believe that it is important that the people of this country realize the truth about the budget which has been presented for congressional approval:

OBSERVATIONS ON THE 1963 FEDERAL BUDGET PROGRAMS

(Remarks of the Honorable THOMAS B. CURTIS, Republican, Second District of Missouri, to the South Council, St. Louis Dental Society, January 22, 1962)

President Kennedy has presented a juggled budget to the Congress of the United States. If a certified public accountant prepared figures as they have been prepared in this budget, he would lose his license and his client would probably go to jail.

The President states the budget is balanced. It is balanced only as long as he can keep the balls in the air. The President, in effect, is saying this: I want \$99.3 billion, although we are going to take in only \$93 billion in revenues, but this will balance out because I'll only spend \$92.5 billion of the money which you give me.

Can we believe this? Just take one item. The President said in his state of the Union message that he wanted the Congress to vote a 3-year program for Federal grants for primary and secondary school construction and teachers' salaries in the amount of \$2.1 billion. Now, if he wants this program and other new programs he is asking Congress to approve, then he must include the costs of these programs in his budget.

Did he include the item for school construction and teachers' salaries in the budget? Oh, yes; \$600 million for fiscal year 1963. But he says, I will only spend \$90 million of the \$600 million. He also said that he wanted Congress to vote a 5-year program to help colleges build classrooms and other academic facilities in the total amount of about \$1.7 billion at a rate of \$332 million a year. But he says, in a whisper out of the corner of his mouth to the Congress, give me the \$332 million, but I will only spend \$20.8 million in fiscal year 1963.

President Kennedy can't have it both ways. He can't tell the people he is going to do all the good things for them and then tell the Congress he has a balanced budget because he won't spend the money Congress gives him to do these good things.

I know people have wondered how it is that we can start out with a balanced budget, like the budget President Eisenhower presented to President Kennedy for fiscal year 1962, and then see it become unbalanced. The answer is, there are many items put in the budgets, like those I am pointing out, over which the President has such wide discretion that he can get \$600 million and just spend \$90 million. Or he can get \$600 million on the statement that he will only spend \$90 million and end up spending the entire \$600 million. Indeed, in other ways available in our cumbersome budgetary procedures he can actually commit the U.S. taxpayers for more than the \$600 million.

As a matter of fact, nowhere in the President's budget or in his budget message to the Congress or to the people does he let us know how much money he has left over which previous Congresses have voted to the Executive, which has not been spent and yet can be spent in fiscal year 1963. The amount is over \$20 billion and may be as high as \$30 billion.

This is why we could start out the year 1961, as we did, with an apparently balanced budget and end up \$9 billion or more in the hole. And why we can anticipate go-

ing in the hole even more this coming year of 1962. This is why the President in one message tells us he is presenting a balanced budget to the Congress and in another message asks the Congress to raise the Federal debt ceiling to \$300 billion.

The correct way to view the budget of a particular year is to look at it both ways, from the standpoint of what the Federal Government might spend in dollars and, at the same time, how much money the President is permitted by law to spend in new obligation authority. When the President asks for appropriations to spend 99.3 billion more dollars for fiscal year 1963, along with what he has left over from previous years, and we are only going to take in \$93 billion in tax collection, it is in error to say that this is a balanced budget. It is an unbalanced budget by \$6.3 billion and this imbalance may be more if previously granted powers to spend are exercised and our anticipated revenues do not materialize.

Furthermore, the President's estimation of revenues in his proposed budget is unrealistic. Federal revenue estimation is an uncertain science. Until a few years ago the U.S. Treasury officials made no attempt to anticipate increased revenues resulting from increased economic activity and, conversely, they made no attempt to anticipate a decline in revenue resulting from a decrease in economic activity in the society. The failure to make reasonable estimates left the Treasury Department with some very grave under and over estimations from time to time.

I am pleased that Treasury for several years now has tried to consider the factor of economic activity in their revenue estimates, even though the range of error still remains too high. However, when I see this budding science abused simply to make a book balance for a budget which, by all reasonable standards is unbalanced, by estimating a \$10.9 billion or 13.2 percent increase over 1962 revenues (which are still estimates), I am almost sorry that Treasury moved away from its conservative approach of the past.

Regretfully, what I am saying is that the Treasury estimates seem to have been made on the basis of what was needed to make an unbalanced budget have a semblance of balance, rather than upon a realistic appraisal of anticipated revenues. Time will help to tell whether this is too harsh a judgment.

It is important to correct a major erroneous conclusion the President seeks to have the people draw from his budget and the increased expenditure rate of the Federal Government that it reflects. The President states that increases in the Nation's defense are largely responsible for the rise in the budget of this administration compared to that of its predecessor. This is partisan, and it is untrue. It is designed to take the people's attention off of the greater increases that have occurred in the civilian side of the budget.

National defense expenditures, according to the President's own bobtalled figures set out in the budget brief rose from \$47.5 billion (actual) in fiscal year 1961 to estimates of \$52.7 for fiscal year 1963. This is a 10.9 percent increase. Domestic civilian functions, international affairs and finance, space research and technology rose from \$23.6 actual fiscal year 1961 to an estimated \$31.2 for fiscal year 1963, an increase of 22 percent. Even in gross figures, the nondefense expenditure increase exceeded the defense expenditures increase by \$400 million.

Furthermore, it is important to observe the \$6.8 part of the new obligational authority of \$99.3 the President says he is not going to spend in fiscal year 1963 over the \$92.5 expenditure is pretty well concentrated in the domestic programs. Only \$1.9

is new obligational authority over the expenditure rate for the Defense Department (military); \$51.4 new obligational authority; \$49.5 expenditure rate. The Defense Department in recent years has been getting its unused authority to spend money down to a more workable level, which means that its actual expenditure rate has been exceeding its rate of new obligational authority. This makes the error of the President's statement even more glaring. The increases have not been largely the result of increases in expenditures for the Nation's defense; they have been in the President's other programs.

Finally, let me direct attention into the future on the question of balance between defense and nondefense expenditures. Table G-2 on page 328 of the President's budget is entitled, "Federal expenditures for research and development divided between national defense and other programs, fiscal years 1953-63, in millions of dollars."

In 1960, national defense was \$6.6 billion and other was \$1.1 billion; 86 percent to 14 percent. In 1963, the ratio had changed to 69 percent for defense and 31 percent for other; \$8.572 billion to \$3.793 billion. Clearly a shift away from defense, not a shift to defense.

Future activities and expenditures depend greatly upon what moneys are presently being spent in research and development.

Now, lest anyone think that space research and technology should be listed under defense, let me point out that the Kennedy administration does not so list it. Congress specifically created a civilian agency for space and made it clear that it did not believe it was properly set up under defense. The reason behind this decision is that space, for the immediate future at any rate, does not have much military significance. Ultimately, I am certain that research in space will have great military significance.

The moon shot is not geared to defense. I happen to favor President Kennedy's accelerated space program, including the moon shot, but not on grounds of defense. I also favor very strongly the proposed reforms in respect to Federal job classification and pay schedules as set forth in the budget message. It is fair to point out, however, that the leaders of the Democratic Party, which include President Kennedy and which have controlled the past three Congresses and now control the present Congress, fought both this reform, the agricultural reform and the other basic reforms which the President lists in his budgetary message as much needed. I hope the Democratic leaders will change their philosophy and get on with these badly needed reforms, but it would be more believable that this would be done if President Kennedy had presented a more forthright and less partisan budget and budgetary message.

POSTAL RATE INCREASE

Mr. CAHILL. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. LANGEN] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. LANGEN. Mr. Speaker, I have many doubts remaining over many provisions of this postal rate increase legislation. I feel there are a number of inequities present that will create more problems for some groups than their monetary value to the postal department.

However, there is one provision that I most heartily support. That is the

provision dealing with the free distribution of Communist propaganda through U.S. ports of entry. As we all know, such material has been flooding the country through over 50 such ports of entry.

It is unfortunate that the administration has, by executive order, made it necessary for Congress to include such a provision in the bill to adjust postal rates. But, regardless of anyone's estimate of the value of the bill itself, it is gratifying to see this provision on the floor of the House of Representatives.

The flow of Communist propaganda into this country could and should have been stopped long ago. Since it was not, it is hoped that the action taken by the Congress may correct this deplorable situation.

JACKIE ROBINSON AND BOB FELLER—TWO NEW WORTHY MEMBERS OF THE BASEBALL HALL OF FAME IN COOPERSTOWN, N.Y.

Mr. SLACK. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. STRATTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STRATTON. Mr. Speaker, I take this time to inform the House that Jackie Robinson and "Rapid Robert" Feller were chosen yesterday by the Baseball Writers' Association of America to become the newest members of the Baseball Hall of Fame at Cooperstown, N.Y.

As the representative from the district which includes Cooperstown, where baseball was first played and where the hall of fame now stands, I extend my heartiest congratulations to these two fine athletes on their selection. Certainly there is no greater honor that can come to a man who has played major league baseball than to be selected to the hall of fame at Cooperstown.

Jackie and Bob will be officially installed in the hall of fame on July 23 at Cooperstown in a ceremony climaxed by an exhibition game between the New York Yankees and the Milwaukee Braves. On that day these 2 great American athletes will join the select group of 90 men, chosen for their outstanding contributions to the game of baseball, whose names are now officially inscribed in baseball's highest arena of honor and recognition.

Bob Feller and Jackie Robinson are two of the finest athletes this country has produced. Bob Feller pitched for the Cleveland Indians from 1936 to 1956, except for the 4 years he served in the Navy in World War II, and he still holds many major league pitching records which he achieved with his blazing fastball. And Jackie Robinson, who for 10 years from 1947 to 1956 was an outstanding infielder for the Brooklyn Dodgers, led his team to six National League pennants and a world championship.

But more significant than that, I think, Mr. Speaker, is the fact that

Jackie Robinson was the first man in history to have broken the segregation barrier in major league baseball. His courage in that exposed position is now a matter of history. His actions as a baseball player involved more than achievement in athletic prowess. He pioneered the way, with the help and support of Branch Rickey, to a practical new application of the ideals of American fairplay in our great national game. This was a great new social achievement.

In fact, something of the significance of the job that Jackie Robinson did in becoming the first Negro to be a regular major league baseball player can be appreciated by the fact that today we take an integrated policy in major league baseball completely for granted.

And so it is fitting that as the first Negro to become a major leaguer—and a topflight one at that—Jackie Robinson has now also become the first member of his race to be elected to the Baseball Hall of Fame.

I salute both of these great athletes and at the same time extend a cordial welcome to all my colleagues to join me in Cooperstown on Monday, July 23, when Jackie Robinson and Bob Feller will be officially installed in our Baseball Hall of Fame.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. BAILEY, for 20 minutes, on January 29.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. DOYLE.

Mr. JENSEN.

Mr. JOHNSON of Wisconsin in two instances.

By unanimous consent (at the request of Mr. CAHILL) permission to extend remarks in the RECORD, and to include extraneous matter, was granted to:

Mr. MATHIAS.

Mr. WHARTON.

By unanimous consent (at the request of Mr. SLACK) permission to extend remarks in the RECORD, and to include extraneous matter, was granted to:

Mr. MULTER.

Mr. ALBERT.

Mr. FOGARTY in two instances

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 8847. An act to amend the Internal Revenue Code of 1954 so as to provide that a distribution of stock made to an individual (or certain corporations) pursuant to an order enforcing the antitrust laws shall not be treated as a dividend distribution but shall be treated as a return of capital; and

to provide that the amount of such a distribution made to a corporation shall be the fair market value of the distribution.

ADJOURNMENT

Mr. SLACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 42 minutes p.m.), the House adjourned until tomorrow, Thursday, January 25, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1593. A letter from the Secretary of the Army, transmitting a report on the progress of the Army Reserve Officers' Training Corps flight training program covering the period from January 1, 1961, to December 31, 1961, pursuant to title 10, United States Code, section 4384; to the Committee on Armed Services.

1594. A letter from the Assistant Secretary of the Interior, transmitting a draft of a proposed bill entitled "A bill to amend section 8 of the Organic Act of Guam and section 15 of the Revised Organic Act of the Virgin Islands, to provide for appointment of Acting Secretaries for such territories under certain conditions"; to the Committee on Interior and Insular Affairs.

1595. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting certain information relating to operations concerning the registration of refugees for the period July 1, 1961, through December 31, 1961, pursuant to Public Law 86-648; to the Committee on the Judiciary.

1596. A letter from the Assistant to the Governor, Canal Zone Government, transmitting a draft of a proposed bill entitled, "A bill to regulate archeological exploration in the Canal Zone"; to the Committee on Merchant Marine and Fisheries.

1597. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill entitled "A bill to amend section 7608 of the Internal Revenue Code of 1954, relating to authority of internal revenue enforcement officers"; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RUTHERFORD: Committee on Interior and Insular Affairs. S. 383. An act to provide for the acquisition of a patented mining claim on the south rim of Grand Canyon National Park, and for other purposes; with amendment (Rept. No. 1286). Referred to the Committee of the Whole House on the State of the Union.

Mr. FRIEDEL: Committee on House Administration. House Resolution 500. Resolution to provide funds for the Committee on the Judiciary; without amendment (Rept. No. 1287). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 504. Resolution to provide additional funds for the expenses of the studies, investigations, and inquiries authorized by House Resolution

143; without amendment (Rept. No. 1288). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 513. Resolution to authorize the expenditure of certain funds for the expenses of the Committee on Un-American Activities; without amendment (Rept. No. 1289). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 509. Resolution providing additional employees for the Committee on Ways and Means; without amendment (Rept. No. 1290). Ordered to be printed.

Mr. FRIEDEL: Committee on House Administration. House Resolution 517. Resolution providing for the payment from the contingent fund of the House of Representatives certain expenses of the U.S. Constitution 175th Anniversary Commission; without amendment (Rept. No. 1291). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DONOHUE:

H.R. 9877. A bill to provide for the settlement of claims against the United States by members of the uniformed services and civilian officers and employees of the United States for damage to, or loss of, personal property incident to their service, and for other purposes; to the Committee on the Judiciary.

By Mr. FOGARTY:

H.R. 9878. A bill to amend the law relating to pay for postal employees; to the Committee on Post Office and Civil Service.

By Mr. HORAN:

H.R. 9879. A bill to amend section 27 of the Merchant Marine Act, 1920, to permit the waiver of such section under certain circumstances; to the Committee on Merchant Marine and Fisheries.

By Mr. HOSMER:

H.R. 9880. A bill to repeal price support subsidies and direct the sale of Commodity Credit Corporation inventory; to the Committee on Agriculture.

By Mr. JOELSON:

H.R. 9881. A bill to amend the Communications Act of 1934 in order to impose a license fee on radio and television broadcasting licenses in an amount equal to 1 percent of their gross receipts; to the Committee on Interstate and Foreign Commerce.

By Mr. KARTH (by request):

H.R. 9882. A bill to amend the Migratory Bird Treaty Act to prohibit the hunting of the mourning dove; to the Committee on Merchant Marine and Fisheries.

By Mr. KILGORE:

H.R. 9883. A bill to authorize the San Benito International Bridge Co. to construct, maintain, and operate a toll bridge across the Rio Grande near Los Indios, Tex.; to the Committee on Foreign Affairs.

By Mr. LIBONATI:

H.R. 9884. A bill for the relief of certain officers of the naval service erroneously in receipt of compensation based upon an incorrect computation of service for basic pay; to the Committee on the Judiciary.

By Mr. PERKINS:

H.R. 9885. A bill to bring State vocational agriculture teachers within the purview of the Civil Service Retirement Act, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. REIFEL:

H.R. 9886. A bill to amend the Agricultural Act of 1961 and the Soil Conservation and

Domestic Allotment Act, as amended, to permit under certain circumstances flaxseed to be raised on acreage diverted from the production of wheat; to the Committee on Agriculture.

By Mr. SANTANGELO:

H.R. 9887. A bill to authorize a 2-year program of Federal financial assistance for all elementary and secondary school children in all of the States; to the Committee on Education and Labor.

By Mr. SCHERER:

H.R. 9888. A bill to amend sections 3(7) and 5(b) of the Internal Security Act of 1950, relating to employment of members of Communist organizations in certain defense facilities; to the Committee on Un-American Activities.

By Mr. JOHNSON of Maryland:

H.R. 9889. A bill to provide that industrial furloughs during World War I shall be deemed creditable service for pension purposes; to the Committee on Veterans' Affairs.

By Mr. NIX:

H.J. Res. 606. Joint resolution designating the third Sunday in June of each year as Father's Day; to the Committee on the Judiciary.

By Mr. REIFEL:

H.J. Res. 607. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. DOOLEY:

H. Con. Res. 407. Concurrent resolution providing for a study and report on ways and means of establishing a free guide service for the U.S. Capitol Building; to the Committee on House Administration.

By Mr. FARBERSTEIN:

H. Res. 525. Resolution expressing the sense of the House of Representatives in favor of direct negotiation between Israel and the Arab States in the search for peace; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JOHNSON of Maryland:

H.R. 9890. A bill for the relief of Carmine di Martone; to the Committee on the Judiciary.

H.R. 9891. A bill for the relief of Dr. Joseph S. Salama; to the Committee on the Judiciary.

By Mr. KARTH:

H.R. 9892. A bill for the relief of Alice Amar Froemming; to the Committee on the Judiciary.

By Mr. KLUZCZYNSKI:

H.R. 9893. A bill for the relief of Tadeusz Sochacki; to the Committee on the Judiciary.

By Mrs. SULLIVAN:

H.R. 9894. A bill for the relief of Loretta Shea, deceased, in full settlement of the claims of that estate; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

232. Mr. STRATTON presented a resolution of the Schenectady County Board of Supervisors urging the Federal Communications Commission to act favorably on the renewal of broadcasting licenses for General Electric Co. stations WGY, WGFM, and WRGB in Schenectady, N.Y., which was referred to the Committee on Interstate and Foreign Commerce.